

North Carolina
Department of Transportation

Transformation Management Team
Final Report

Volume Three:
Outreach

NCDOT TRANSFORMATION



Communication Plan
FINAL
February 2009

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Introduction

The purpose of the NCDOT Transformation Communication Plan is to provide an overall framework for managing and coordinating the wide variety of communications that will directly or indirectly take place as part of the NCDOT Transformation. It addresses communicators, audiences, messages, approval, delivery, feedback mechanisms and message timing, and creates a mapping between all seven. Such a framework will ensure that NCDOT Transformation Project provides relevant, accurate, consistent information to both external and internal stakeholders at all times.

Actual delivery of many of the communication messages will be through designated 'communicators' - presenting and facilitating briefing sessions, delivering communication and soliciting feedback. The resources required to develop the communication materials and to support the delivery of communications will be included in the work plan for the specific materials.

This plan includes the following:

- Internal & External Audiences
- Communications Calendar
- Communication Formats
- Communication Principles
- Communication Elements

A significant number of project stakeholders are involved in the NCDOT Transformation. By effectively communicating with them the NCDOT Transformation Team can accomplish its work with support and cooperation of each stakeholder group.

Section One - Internal Audiences

This section contains a description of the various internal audiences covered by this Communication Plan and outlines the communication events that will occur to support NCDOT Transformation. The following tables identify each audience and their vested interests and expectations. For actual event dates, see Communications Calendar Section of this plan.

NCDOT EMPLOYEES		Copies of Distribution A Emails and In the Loop Articles and sample Transformation Overview Presentations may be found in the Outreach Section of the TMT Final Report.				
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> Understand their role Believe TMT is on track Be kept informed 	<ul style="list-style-type: none"> Learn it Live it Love it Establish credibility 	Hallway Discussions	Elevator Speech Talking Points	TMT	As occurs	Face to Face
		Written Updates to All Employees	<ul style="list-style-type: none"> Pay Check Inserts¹ Distribution A Emails² In the Loop Articles³ 	<ul style="list-style-type: none"> Secretary Tippet Dep. Sec. DeVane TMT Project Manager 	<ul style="list-style-type: none"> Ongoing Monthly 	Contact Us ⁴

¹ TMT used Pay Check inserts for the first few months of the Transformation effort. After feedback that this was very time and labor intensive (manually printing, folding and inserting over 14,000 inserts every 2 weeks) and that the information was not relevant to the majority of our employees we discontinued this approach and relied solely on Distribution A emails and managers posting of same.

² "Distribution A" is the name of the NCDOT all employee email system. These emails go to over 9000 NCDOT email accounts. Managers are asked to post information for those who do not have access to email. Distribution A Updates were also archived to TMT Portal Page. Actual Distribution A memo's may be found in the Outreach Section of the TMT Final Report.

³ "In the Loop" is the monthly NCDOT internal employee newsletter. A link to the current addition is sent out to all DOT employees each month. The file is opened by between 5000-6000 employees in a typical month. Some managers post a hard copy so employees without email access can read newsletter. In the Loop articles may be found in the Outreach Section of the TMT Final Report.

⁴ "Contact Us" is the NCDOT Email Feedback System. From the Contact Us link found throughout the NCDOT website users can email comments, anonymously or using their names, to the TMT and other Business Units.

NCDOT EMPLOYEES		Copies of Distribution A Emails and In the Loop Articles and sample Transformation Overview Presentations may be found in the Outreach Section of the TMT Final Report.				
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
		Mission & Goals and Values Poster	Distributed to managers and asked to post prominently in work areas. Also distributed 8 ½ "x 11" color versions to employees at Transformation Overviews and Q&A Sessions.	Outreach Team	Summer and Fall 2008	
			Articles	Outreach Team	Ongoing	
		TMT Portal Page	Intranet	Outreach Team	Ongoing	
		Face to Face Information Sessions for Employees	<ul style="list-style-type: none"> • Question and Answer Sessions • Transformation Update presentation to Business Units 	<ul style="list-style-type: none"> • Secretary Tippet • Outreach Team 	Fall 2007 – Fall 2008	Feedback Forms and Postcards, Contact Us and 511

TMT EXECUTIVE COMMITTEE		Agendas for TMT Executive Committee Meetings may be found in the Outreach Section of the TMT Final Report.				
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> • Feel part of Transformation • Have input and be kept informed • Know Secretary is on board 	<ul style="list-style-type: none"> • Support effort • Be actively engaged • Change Champions • Share info with their staff 	Interim progress reports and updates	Executive Committee Meetings	<ul style="list-style-type: none"> • TMT Project Manager • TMT 	Monthly	<ul style="list-style-type: none"> • Face to Face • Comments on reports

OPERATIONS STAFF MEETING ATTENDEES ⁵		Agendas for TMT Operations Staff Meetings may be found in the Outreach Section of the TMT Final Report.				
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> Reassurance that Transformation is good for all of NCDOT Be actively engaged 	<ul style="list-style-type: none"> Not feel left out Respect that they represent over 2/3 of NCDOT staff 	Operations Staff Meetings	Meetings	<ul style="list-style-type: none"> TMT Project Manager TMT 	Monthly	Casual Feedback

⁵ "Operations Staff" consists of Division of Highways – Operations managers, which include Division Engineers, Operations Unit Heads and Chief Engineer's Office staff

PRE-CONSTRUCTION BUSINESS UNITS						
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> Reassurance that Transformation is good for all of NCDOT Be kept informed 	<ul style="list-style-type: none"> Not feel singled out Foster involvement & engagement 	New and Existing Meeting Forums	<ul style="list-style-type: none"> Q&A Sessions Pre-Construction Staff Meetings Presentations to Pre-Construction Business Units 	<ul style="list-style-type: none"> Secretary Tippet TMT Project Manager Outreach Team and TMT Members from Pre-Construction 	<ul style="list-style-type: none"> Spring 2008 Monthly as requested in 2008 Summer 2007 – Summer 2008 	<ul style="list-style-type: none"> Feedback forms & postcards, Contact Us and 511 Feedback forms, Contact Us and 511⁶

6 "511" is NCDOT's Telephone Traveler Information System, which is part of a larger national 511 traveler information program. There is a "Feedback Option" within the 511 system. The TMT instructed employees to call 511 and say "feedback" to leave feedback about the Transformation. The wav file of this feedback call would then be emailed to the TMT Outreach Team. The TMT Outreach Team did not receive any 511 feedback messages during the Transformation.

BOARD OF TRANSPORTATION		BOT Presentations may be found in Outreach Section of the TMT Final Report. The BOT Meetings are open to the public and the media.				
Stakeholder Interest	TMT Expectations	Events	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> Have input and be kept informed See benefits 	<ul style="list-style-type: none"> Trust/support the process Open and committed to change Buy-in 	Transformation Update	Presentation	TMT Project Manager	Monthly Board Meetings	

TRANSFORMATION MANAGEMENT TEAM						
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> • Clear direction and delegation of tasks • Consistent quality management • Training • Guidance • Team Building 	<ul style="list-style-type: none"> • Commit to Change • Work together • Be good ambassadors • Champions of change • Review and feedback on deliverables 	Team Building	<ul style="list-style-type: none"> • Subteam Lunches • Meetings • Informal conversations • Presentations on Best Practices • Non-Working Hours Events 	<ul style="list-style-type: none"> • Outreach Team • Team Leads • McKinsey • 	As scheduled	

Section Two – External Audiences

This section contains a description of the various external audiences covered by this Communication Plan and outlines the communication events that will occur to support NCDOT Transformation. Timely and meaningful exchange of information external to the project team is critical to secure a positive commitment from stakeholders. The following tables identify each audience and their vested interests, expectations. For actual event attendees and dates, see Communications Calendar Section of this plan.

PARTNERS		Partners include Transportation Contracting and Consulting Industry groups, Transportation Professional Associations, Metropolitan Planning Organizations, Federal Highway Administration, etc.				
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none">• Role in the transformed NCDOT• Status Reporting (Results/Accomplishments)	<ul style="list-style-type: none">• Continue working reliably with NCDOT• Public support of Transformation• Open to change					

LEGISLATURE		TMT Project Manager and Leadership Team members reported on Transformation progress to Joint Legislative Transportation Oversight Committee upon request. Presentations may be found in Outreach Section of TMT Final Report.				
Stakeholder Interest	TMT Expectations	Event	Delivery Mechanism	Communicator	When	Feedback Mechanism
<ul style="list-style-type: none"> Overview of Transformation Status Reporting (Results/Accomplishments) Notification of changes to business operations and policy Accountability Success 	<ul style="list-style-type: none"> Support Transformation 					

Section Three – Communications Calendar

The following calendar identifies the communication events that occurred during the project.

Date	Event	Audience (* = Includes External Stakeholders)
JULY 2007		
07/13/07	Distribution A – Focus Areas	NCDOT Employees
07/18/07	Distribution A – Survey Results	NCDOT Employees
AUGUST 2007		
08/08/07	Distribution A – Mission & Goals	NCDOT Employees
08/15/07	Transformation Overview	Connecticut DOT*
08/16/07	Transformation Overview	NCSITE Meeting*
08/23/07	Distribution A – Input	NCDOT Employees
SEPTEMBER 2007		
9/07	In The Loop Article	NCDOT Employees
09/19/07	Distribution A – General Update	NCDOT Employees
OCTOBER 2007		
10/04/07	Transformation Overview	Location & Surveys Staff
10/08/07	Transformation Overview	State Road Maintenance Unit Staff
10/23/07	Transformation Update	Joint Legislative Transportation Oversight Committee*
10/23/07	Transformation Overview	Program Development & Environmental Analysis (PDEA) Retreat
10/26/07	Transformation Overview	NC MPO Conference*
10/26/07	Distribution A - Hiring Practices	NCDOT Employees
10/26/07	Distribution A - Mentorship Programs	NCDOT Employees
10/26/07	Distribution A - Work Options Program	NCDOT Employees
10/30/07	Transformation Overview	American Council of Engineering Companies (ACEC) / NCDOT Conference*
10/31/07	Distribution A – Survey Anonymity	NCDOT Employees

NCDOT Transformation

Date	Event	Audience (* = Includes External Stakeholders)
NOVEMBER 2007		
11/07	In The Loop Article	NCDOT Employees
11/01/07	Lunch With Leadership Team	TMT
11/05/07	Distribution A – Q&A Session	NCDOT Employees
11/06/07	Transformation Overview	Fiscal Managers Staff Meeting
11/07/07	Transformation Overview	I-95 Corridor Coalition Executive Board Meeting*
11/07/07	Transformation Overview	Transportation Planning Branch (TPB) Staff – Session 1
11/08/07	Q&A with Secretary Tippet	Transportation Building Employees
11/09/07	Transformation Overview	Bicycle & Pedestrian Division
11/13/07	Transformation Overview	Transportation Planning Branch (TPB) Staff – Session 2
11/14/07	Transformation Overview	Secretary's Rail Advisory Council*
11/14/07	Transformation Overview	NC Bicycle Committee*
11/29/07	Transformation Overview	Triangle Best Workplaces for Commuters Awards Ceremony*
DECEMBER 2007		
12/07	In The Loop Article	NCDOT Employees
12/03/07	Transformation Overview	Facilities Management Staff
12/03/07	Transformation Overview	Operations Staff Workshop
12/06/07	Distribution A – Values	NCDOT Employees
12/10/07	Q&A with Secretary Tippet	Division 1 Employees
12/11/07	Transformation Update	Joint Legislative Transportation Oversight Committee*
12/13/07	Transformation Overview	Traffic Engineering Branch Managers
12/18/08	Transformation Overview	Traffic Safety Unit Staff
JANUARY 2008		
1/08	In The Loop Article	NCDOT Employees
1/08/08	Transformation Update	NCSITE Meeting*
1/09/08	Distribution A – Female Mentorship	NCDOT Employees
1/10/08	Transformation Overview	Ferry Division Managers
1/14/08	Transformation Overview	Information Technology (IT) Managers
1/15/08	Transformation Overview	Purchasing & Productivity Services Staff
1/16/08	Transformation Overview	Photogrammetry Staff
1/17/08	Transformation Overview	Division 9 Staff Meeting

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Date	Event	Audience (* = Includes External Stakeholders)
1/22/08	Transformation Overview	Administration & Business Development
1/23/08	Transformation Overview	Equipment and Inventory Staff
1/23/08	Transformation Overview	Roadway Design Unit Staff
1/28/08	Transformation Overview	Hydraulics Unit Staff
1/30/08	Distribution A – Female Mentorship	NCDOT Employees
1/31/08	Transformation Overview	Federal Highway Administration Staff*
FEBRUARY 2008		
2/08	In the Loop Article	NCDOT Employees
2/01/08	Transformation Overview	Division 11 Management
2/06/08	Transformation Overview	Triangle TMC & ITS Operations Unit Staff
2/07/08	Transformation Overview	Oversize/Overweight Permits Unit Staff
2/08/08	Transformation Overview	Division 9 Management
2/11/08	Transformation Overview	Program Development Staff
2/12/08	Transformation Overview	Division of Motor Vehicles (DMV) Management
2/14/08	Transformation Overview	Construction Unit Staff
2/15/08	Transformation Overview	Work Zone Traffic Control Unit Staff
2/20/08	Distribution A –Talent Management Update	NCDOT Employees
2/21/08	Transformation Overview	Materials and Tests Unit Managers
2/26/08	Transformation Overview	DMV Adjudication Staff
2/27/08	Transformation Overview	Traffic Engineering Roundtable
2/28/08	Transformation Overview	Geotechnical Unit Staff
MARCH 2008		
3/08	In the Loop Article	NCDOT Employees
3/06/08	Transformation Overview	Pavement Management Unit Staff
3/11/08	Transformation Overview	Public Transportation Unit Staff
3/12/08	Transformation Overview	Program Development & Environmental Analysis (PDEA)
3/17/08	Transformation Overview	Division 7 Management
3/18/08	Transformation Update	Joint Legislative Transportation Oversight Committee*
3/25/08	Transformation Overview	Construction Engineers Conference
3/27/08	Q&A with Secretary Tippet	DMV and IT Staff
3/31/08	Q&A with Secretary Tippet	NCDOT Wake County-Based Employees

NCDOT Transformation

Date	Event	Audience (* = Includes External Stakeholders)
APRIL 2008		
4/08	In the Loop Article	NCDOT Employees
4/08	Transformation Interview	FHWA Innovator Newsletter*
4/08/08	Transformation Overview	Public Information Office Staff
4/15/08	Transformation Overview	Civil Rights and Business Development Staff
4/15/08	Transformation Overview	Division 5 Management
4/17/08	Transformation Overview	DMV Managers
4/21/08	Transformation Overview	Bridge Management Staff
4/23/08	Q&A with Secretary Tippet	Division 13 & 14 Employees
4/24/08	Transformation Interview	State Government Radio*
4/24/08	Transformation Overview	Signals and Geometrics Staff
4/24/08	Transformation Overview	Women's Transportation Seminar*
MAY 2008		
5/08	In the Loop Article	NCDOT Employees
5/06/08	Transformation Overview	Division 6 Staff
5/08/08	Transformation Overview	Business Officers
5/14/08	Q&A with Secretary Tippet	Pre-Construction Employees
5/15/08	Transformation Overview	Inter-Agency Leadership Team*
5/15/08	Anniversary Lunch	TMT Members
5/20/08	Q&A with Secretary Tippet	Traffic Engineering Branch Employees
5/21/08	Transformation Overview	Safety and Loss Control Unit Staff
5/28/08	Transformation Overview	Division 3 Managers
5/28/08	Transformation Overview	Executive Committee For Highway Safety*
JUNE 2008		
6/08	Transformation Article	Transportation Research Board (TRB) Newsletter
6/02/08	Transformation Overview	NC Public Transportation Conference*
6/06/08	Transformation Overview	Transportation Engineering Associates
6/11/08	Q&A with Secretary Tippet	Oversize/Overweight Permits Unit and Training & Development Staff
6/11/08	Distribution A –Hiring Practices	NCDOT Employees
6/11/08	Distribution A – Personnel Action Approval Levels	NCDOT Employees
6/18/08	Distribution A – Changes to Posting, Waiver and Filling of	NCDOT Employees

NCDOT Transformation

Date	Event	Audience (* = Includes External Stakeholders)
	Vacant Positions	
6/18/08	Transformation Overview	Female Mentoring Program Participants
6/25/08	Transformation Overview	Division 2 Managers
6/26/08	Q&A with Secretary Tippet	Divisions 2, 3, & 6 Staff
6/30/08	Distribution A – General Update	NCDOT Employees
6/30/08	Transformation Overview	Customer Service Staff
JULY 2008		
7/15/08	Transformation Overview	Division 4 Staff
7/15/08	Q&A with Secretary Tippet	Division 7 & 9 Staff
7/22/08	Q&A with Secretary Tippet	Division 4 & 5 Staff
7/29/08	Transformation Overview	Department of Commerce – Indian Delegation Visit*
7/31/08	Transformation Overview	Rhode Island DOT Peer Exchange*
AUGUST 2008		
8/08	In the Loop Article	NCDOT Employees
8/13/08	Distribution A – Frequently Asked Questions	NCDOT Employees
8/14/08	Transformation Overview	Information Technology Staff
8/15/08	Transformation Overview	Division 12 Management
8/19/08	Transformation Overview	Office of Environmental Quality Staff
8/25/08	Transformation Overview	Structure Design Staff
8/27/08	Q&A with Secretary Tippet	Division 11 & 12 Staff
SEPTEMBER 2008		
9/08	Transformation Overview	Dist A and In the Loop
9/10/08	Q&A with Secretary Tippet	Division 8 & 10 Staff
9/18/08	Wellness Fair Booth	Division 2 Staff
9/23/08	Transformation Overview	Governor's Highway Safety Program Staff
9/24/08	Distribution A – Personal Dashboard & Appraisal (PDA)	NCDOT Employees
9/28/08	Team Awards Presentation	TMT & Secretary Tippet
9/29/08	Transformation Overview	Accounting Operations Staff
OCTOBER 2008		
10/06/08	Transformation Update	American Council of Engineering Companies (ACEC) / NCDOT Conference*

NCDOT Transformation

Date	Event	Audience (* = Includes External Stakeholders)
10/07/08	Distribution A – Organizational Chart	NCDOT Employees
10/18/08	Farewell Celebration	TMT
10/20/08	Transformation Overview	NC Community Transportation Conference*
10/31/08	Transformation Overview	Charlotte Regional Alliance for Transportation (CRAFT)
NOVEMBER 2008		
11/12/08	Transformation Overview	American Society of Highway Engineers*
11/13/08	Transformation Update	Joint Legislative Transportation Oversight Committee*
DECEMBER 2008		
12/09/08	Transformation Overview	Professional Engineers of North Carolina*
12/17/08	Transformation Overview	Colorado Transportation Commission*

Section Four – Communication Principles

From communications best practices, a number of common principles emerge which should be followed to ensure successful communication. These were used in defining the Communication Plan to support NCDOT Transformation.

Communication Principles	
Principle	Reason
Credibility	Without a credible communication approach or credible communicators, individuals will simply not believe in the end goal.
To involve not inform	Promotes ownership of the program, feeling a necessary part of the program
Communicators whom people trust/respect	If the staff does not trust or respect the communicators, the messages 'fall on deaf ears'.
Visible management support	Active management commitment gives credibility to communication. Must be seen to demonstrate support.
Face-to-face communication	Audience is involved; communication is two-way and provides a feedback mechanism.
To avoid information 'overload'	Too much information leads to confusion and irritation. Accurate and timely information is key.
Consistent messages	Inconsistency loses credibility in the program. Without consistency, audiences are confused and frustrated about what to expect.
To repeat messages and vary mechanisms	The more ways a message can be communicated, the more likely it is to be internalized. Using different mechanisms ensures repetition without individuals 'switching off'.
Create demand	Encourages team to pull for information, rather than management pushing it at them. Ensures buy-in to the change.
Tailor communication to audience needs: Give information which audience wants, not what you want to tell	Makes information 'real' to the audience. The audience is more likely to listen if the information is pertinent to their current frame of reference.
Central co-ordination	Ensures consistent approach.
Manage expectations	Encourages audience to believe in what you to tell them. Preparing shows you understand their needs.
Listen and act on feedback	Encourages support in the approach by being responsive to the needs of the audience. Ensure approach meets changing audience needs.

Section Five - Communication Elements

The following outlines our approach to identifying the communication elements to support NCDOT Transformation.

Audience Groups

Audience groups for the TRANSFORMATION Project can be broken down in a number of different ways: Transformation Management Team, Leadership Team, Internal and External Stakeholders. Most people belong to a number of potential audience groups some of which overlap and/or have different concerns/priorities.

Timing of Communication Events

See Communication Event Schedule for the timing of the communication events.

Communication and Feedback Channels

Communication and feedback channels fall into three broad categories: face-to-face, paper-based and technology-based. Some will be more or less suitable for different audience groups and different communication objectives.

Category	Mechanisms
Face to Face (Primary mechanism for Communication)	<ul style="list-style-type: none">• Presentations/Briefings/Q&As• Lunch & Learn Sessions• Meetings• One-on-one Discussions
Paper Based	<ul style="list-style-type: none">• Newsletters (In the Loop)• Bulletin Board• Communication Timetable• Internal Memos• Feedback Forms
Technology Based	<ul style="list-style-type: none">• Email• Intranet Portal• NCDOT Web Page• 511 Communication Line (Feedback Only)• Distribution A

Communicators

As important as the message is the deliverer of the message, or the 'communicator'. It is important that the communicators have credibility with their audience, for the message they are delivering.

Feedback and Measuring Effectiveness

Feedback is key to ensuring the ongoing effectiveness of NCDOT Transformation communication. In addition to determining whether people feel our communicators are doing a credible job, feedback will focus on finding the answers to a series of questions, for example, whether people:

- Understand what the NCDOT Transformation will deliver
- Understand when specified capabilities will be delivered
- Understand the progress of the NCDOT Transformation
- Understand the issues of the NCDOT Transformation
- Feel they have been involved in what is happening
- Feel they have had a chance to voice their opinion
- Feel their questions have been answered
- Believe in NCDOT Transformation

By evaluating feedback we will be able to adapt the Communication Plan in order to meet the needs of the audience at any given point in time. This will enable continuous improvement for future communication.

Face to face communication events (e.g., Transformation Overviews and Q&A Sessions with Secretary Tippet) provided an opportunity for the audience to give feedback directly to the communicators. Other channels included physical feedback forms and an on-line intranet portal.

Details of the feedback received about NCDOT Transformation communication was used to modify the Communications Plan as well as the content of presentations, programs, etc.

Transformation Frequently Asked Questions (FAQ's)

COMPENSATION

1. *What is being done to insure fair and equitable pay for NCDOT employees?*

North Carolina State government has a new approach to classification and compensation called Career Banding. In Career Banding, jobs performing similar kinds of work with similar knowledge, skills, abilities and requirements called "competencies", are organized into broader classification ranges with wide pay ranges.

2. *How are salaries set in a Career Banded System?*

Pay is based on current labor market information. Market information means salaries paid for the same or similar jobs in both the public and private sector in North Carolina. An individual's pay is set within this range based on the competency levels (contributing, journey, and advanced) that are needed for and demonstrated on the job. Employees are initially assessed to determine their competency level. Afterwards, they continue to develop and add competencies, which ultimately affect their pay rate.

Changing to a market based approach for compensation allows us to offer salaries that are more competitive to our employees. Historically state government looked at the number of years of experience associated with job classifications (pay grade). This does not allow for a natural progression for an employee to develop throughout their career and does not reflect what the labor market would pay for similar work.

3. *When will Career Banding be in place at NCDOT?*

Law Enforcement, Information Technology, Transportation Supervisors, and Vehicle Equipment Repair Technicians and Supervisors have already been career banded at NCDOT. The General Assembly has recently approved career banding for Engineering and Accounting classifications and we are working to get this implemented.

DOT will evaluate all other classifications for similar compensation approaches over the next three years. We have ranked the classifications in DOT with the highest turnover rate, greatest number of position re-postings and highest number of employees near retirement first. Based on this approach, our top priority job areas are: Office Support, Planning, and Communications.

Once DOT has done its part to create Career Banded/Alternate Pay Systems, we are dependent on the General Assembly's approval and funding necessary to pay for the new salary rates. This is not something that NCDOT can make happen without approval and funding from the General Assembly. By law existing DOT funds cannot be used to fund increases to employee salaries.

4. *What about pay for professional certifications (i.e., Professional Engineer (PE), Professional Land Surveyor (PLS), Licensed Geologist (LG), Certified Public Manager (CPM), etc.)?*

Market rates include compensation for professional certifications that are required for the position classification. The certification must be required for the position for it to affect compensation.

5. *What is the status of the Clerical Equity Study?*

The clerical study is being replaced by the DOT Pilot Program for administrative positions. Earlier this year Secretary Tippet asked the General Assembly to give DOT the money to move our administrative staff's salaries closer to market rates. In response, the General Assembly directed a study to determine whether DOT administrative support positions employees' pay is at market rate for similar positions. We are doing this now by building on the work done in 2006. Some additional focus groups may need to be held at DMV this fall to complete the study. If we find our rates are not at market rate, salary revisions will be recommended.

To begin the process of moving to an Alternate Pay System for administrative support positions this fall, Human Resources will create the new streamlined classifications and salary ranges and then "crosswalk" DOT's current administrative support positions into their new classifications. If DOT's request is approved by the State Personnel Commission, the new classes may become effective in February 2009. The Department will request approval of funds in the next budget cycle at the General Assembly for pay increases.

6. *What chances are there for pay increases without getting schooling?*

If education is required for a position, the applicant will need to have the specified credentials. It is important to note that not all positions limit credentials to education.

7. Since the 10% above minimum salary rate cap has been removed, what about the inequities created for employees hired during the 10% cap?

The lift of the 10% above minimum salary rate cap is not retroactive. However moving all salaries to market rates through Career Banding/Alternate Pay Systems will also address inequities since employees with the same competencies and job requirements will be paid the same.

8. How will career banding affect the existing Skill Based Pay and Competency Based Pay programs?

All career banded programs use a competency based pay approach to set salary rates. The Transportation Technician and GIS skill based pay programs will be rolled into the Engineering Career Banding. We are converting the Transportation Worker skill based pay program to a competency based pay program so that it will be in line with the Transportation Supervisor program. After that, we will no longer have any skill based pay programs.

Please visit <http://www.osp.state.nc.us/CareerBanding/career-banding.htm> to learn about career banding in general.

Also visit <http://ncdot.org/services/personnel/aps/> to learn more about NCDOT's move to career banding.

9. *Will NCDOT go to monthly paychecks?*

No, NCDOT will continue bi-weekly paychecks. In fact, other state government agencies are interesting in bi-weekly paychecks as well.

B

Subject: Organizational Performance Survey

Resent-From: dista@dot.state.nc.us

Date: Mon, 09 Apr 2007 13:28:46 -0400

From: "NCDOT Distribution" <NCDOT_Distribution@dot.state.nc.us>

Organization: North Carolina Department of Transportation

To: Distribution A <dista@dot.state.nc.us>

FROM: Lyndo Tippet

SUBJECT: Organizational Performance Survey

The North Carolina Department of Transportation (NCDOT) is embarking on an exciting new phase that will build on our past successes and help us meet the 21st century aspirations of the state and all who use our transportation systems.

Our collective goal is to ensure that the Department is prepared to meet the many challenges we have set for ourselves. This means we must foster an environment where all employees feel they have the support, processes and organizational culture needed to meet objectives. The Department has engaged the consulting firm of McKinsey & Company to help us better understand the key leadership and cultural elements needed to build a truly distinctive organization. Already underway, management interviews along with internal assessments are being conducted. This is a comprehensive process giving insight into our vision, internal coordination and leadership capabilities.

To facilitate this process, we are asking you to complete a survey about our organization. This survey is your opportunity to help us take a careful, internal look and take whatever actions that may be required to elevate the Department to the next level.

The survey is designed to be an in-depth evaluation of the way we organize and complete work - to ensure we do not miss important issues. Your participation is crucial to this process as the findings will be used as the basis to identify changes to consider to help us achieve performance objectives. It will take time to turn these findings into action, but in the months ahead you will hear about many of the initiatives we will undertake together to guarantee our organization is in top form.

You will receive an invitation this Wednesday, April 11, 2007, by external e-mail with a link to the online survey. Those employees without access to e-mail will be mailed a copy with an envelope to return.

Please note that all responses will be treated with absolute confidentiality. The responses will be compiled into a database and analyzed by division/function, not by individual responses. We recognize the challenge of finding time to provide your feedback, but we strongly believe that this is a vital investment in the Department's future. Please take 45-60 minutes, as early as possible, this week to complete the survey. We ask that you complete the survey by Wednesday, April 21, 2007, by 5:00 p.m.

Thank you for your help with this most important contribution to our organization. Your work today will shape the Department's future for years to come. If you have any questions, please contact Jeremy Bernerth, McKinsey & Company, at (202) 662-0940.



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

1501 MAIL SERVICE CENTER, RALEIGH, N.C. 27699-1501

LYNDO TIPPETT
SECRETARY

May 4, 2007

MEMORANDUM TO: Distribution A

FROM: Lyndo Tippet

SUBJECT: Organizational Performance Survey

Thank you for your participation in the recent McKinsey NCDOT Organizational Performance Survey. Seventy-five percent, 8,890 employees, responded to the survey making this effort among the highest response rates for hundreds of organizations where McKinsey & Company has been involved.

We can all be proud of this milestone and our collective commitment to strengthen the Department. Later this month, we will distribute an overview of the survey's findings and emerging ideas about the current state of the Department and our future.

Findings from the survey will be used as the basis to identify changes to consider to help achieve performance objectives. It will take time to turn these findings into action, but in the months ahead you will hear about many of the initiatives we will undertake together to guarantee that NCDOT is best prepared to perform at its best to achieve its stated mission.

Please share this memo with your co-workers who do not have an NCDOT email account. The summary results will be distributed to all employees in paper form.

Thank you again for your participation, and do not hesitate to respond to me if you have any questions, concerns or suggestions that you were not able to share via the survey.

Subject: Transformation Management Team

Date: 07/13/2007

From: Roberto Canales, P.E., Deputy Secretary

Attachments: tmtorgchart.pdf

Description: Per Secretary Tippet's recent memo a Transformation Management Team (TMT) has been created to more clearly define NCDOT's vision, goals and priorities and better align our resources and day-to-day activities with them. I am writing to tell you about our task and how we plan to achieve it.

Based on what we heard from you and external stakeholders, we are focusing our work in four areas as follows:

The Strategic Blueprinting subteam will clearly define our vision and goals and recommend processes for prioritizing the resources and activities of the Department.

The Strategic Planning & Prioritization subteam will ensure that our vision and goals are constantly updated and that the projects and activities we select support this vision.

The Performance Metrics and Management subteam will track the work being done at DOT to assess if we are meeting our goals and making progress towards our vision.

The Talent Management subteam will address employee issues. "Talent" represents the skills and abilities that we all bring to work with us each day. This includes employee development, productivity, working environment and agency values.

Communicating with you throughout this effort is a priority for our team. We are setting up communication channels to regularly share information with you and give you an opportunity for input and feedback throughout the process. We need and will be actively seeking input from all parts of NCDOT. Many of you will be asked to assist in this effort. Some of you may be called upon by more than one subteam for input or interviews. The TMT is on a fast track and will need your responses quickly so that your insights can be incorporated into our work.

The attached chart shows the TMT structure and membership. We are all excited about and committed to the TMT effort. We look forward to working with you to make NCDOT a better place for the travelling public and our employees. You will be hearing more from the TMT soon.



NCDOT Transformation Management Team

Secretary
Lyndo Tippet

**Chief Deputy Secretary Dan DeVane
& Board of Transportation**

*** Leadership Team**

Steve Varnedoe Susan Coward
Mark Foster Bill Rosser
Roberto Canales

***** Executive Committee**

Herb Henderson	George Tatum	Willie Riddick
Barry Moose	Calvin Leggett	Miriam Perry
Debbie Barbour	Lacy Love	Jon Nance
Kevin Lacy	Hope McLamb	Art McMillan
John Sullivan	Mike Bruff	Greg Thorpe
Julie Hunkins	Jay Bennett	Bob Andrews
Mark Paxton	Pat Simmons	Jack Cahoon
Bill Williams		

**** TMT Project Manager**

Roberto Canales

**** TMT Outreach**

Kelly Damron

**** TMT Performance Monitoring**

Mark Tyler

Strategic Blueprinting

Terry Gibson Alpesh Patel
Burt Tasaico Priscilla Tyree
Don Voelker

Strategic Planning/Prioritization

Joey Hopkins
Missy Dickens
David Wasserman

Performance Metrics & Management

Victor Barbour
Ken Pace
Ron Allen

Talent Management

Stephanie King
Teresa Pergerson
Anthony Roper

* Leadership Team: Meets Weekly to Support, Review, Offer Comments and Guidance

** TMT Project Office: Manages Day to Day Activities of the TMT

*** Executive Committee: Meets at Milestones to Review Ideas and Offer Feedback

 Denotes Full Time TMT

7/2/07

Subject: Summary of Findings from the Strategic and Organizational Assessment

Date: 07/18/2007

From: Roberto Canales, P.E.

Attachments: [TMTCharts.pdf](#)

Description:

As promised, I am writing to share the results of the recent Strategic and Organizational Assessment. This is the second in a series of bi-weekly memos.

More than seventy-five percent (75%) of you participated in the survey that was at the heart of the effort, and we gained valuable insights and information from you via one-on-one interviews, focus groups and workshops. Our assessment also included conversations with external stakeholders and experts and a serious look at how we measure performance.

The results told us a clear and consistent story, with no statistically significant difference across DOT functions. We learned that we have significant opportunities to improve service to North Carolinians and that we are able to make the transformation needed to capture those opportunities. That knowledge, of both opportunities and ability, is the foundation for the transformation effort that you've been hearing about over the past few weeks.

opportunities

NCDOT's opportunities to improve service begin with being clear about who we are. We learned that we need to set a clear direction for NCDOT by communicating an explicit vision and specific goals throughout the organization and to our stakeholders. Seventy percent (70%) of employees agreed that we must develop a widely accepted, clear and consistent statement of NCDOT's vision and goals.

We also learned that people believe we need to do some things differently to achieve our vision and goals. There was fairly widespread agreement that NCDOT needs to develop a more targeted and strategic list of projects and activities, focusing on those most critical to achieving our vision. NCDOT employees and stakeholders across the

te identified better prioritization of projects as one of the most important issues we face.

People also believe that NCDOT could achieve more of its goals if we had both greater accountability and coordination throughout the organization. Sixty-three percent (63%) of you thought we could improve the employee performance review process. Fifty-six percent (56%) of employees believe we could work better together within NCDOT.

There's also an opportunity to increase our ability to retain and recruit highly talented people. Sixty-nine percent (69%) of you told us that we could do more to make NCDOT a great place to work.

ability

The assessment also gave us great confidence that NCDOT can act on these opportunities.

Most important, our assessment this spring confirmed what those of us who have been here for a while know: we have great people. Our employees have not only the technical skills needed to deliver high-quality service to the citizens of North Carolina but also a great "can-do attitude." Sixty-seven percent (67%) of you agreed that NCDOT has the knowledge to deliver on its strategy, and seventy-seven percent (77%) agreed we have "the right skills." One employee told us, *"I was in the private sector for 11 years, and I have to say that in my job now I work with some of the most talented, professional people I have ever met."*

We also confirmed that the Board, key DOT leaders, and external stakeholders strongly support change.

* * *

I have attached charts illustrating some of the findings from this analysis. Thank you for your help with the Strategic and Organizational Assessment. The TMT team and I look forward to working with and hearing from you as we move from assessment to action, and we will continue to keep you up-to-date with this biweekly memo.

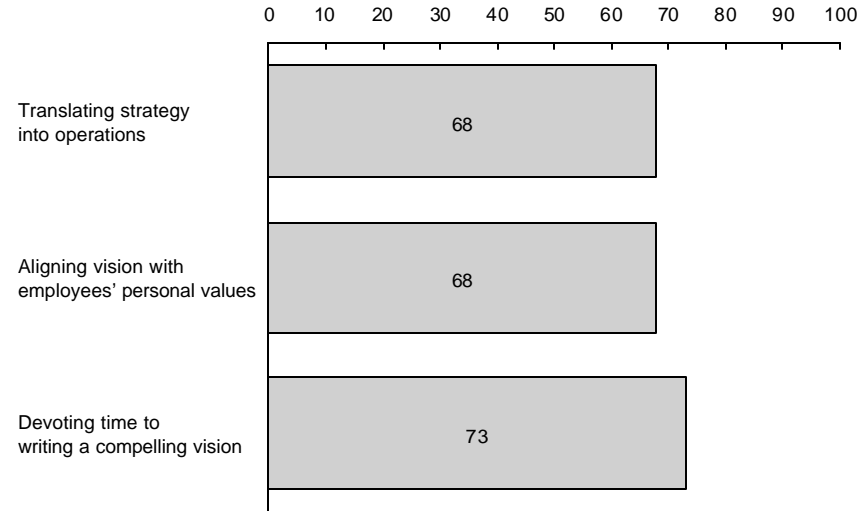
EMPLOYEES' PERSPECTIVE: WHERE WE ARE AND WHERE WE WANT TO BE

Top 10 values selected by respondents



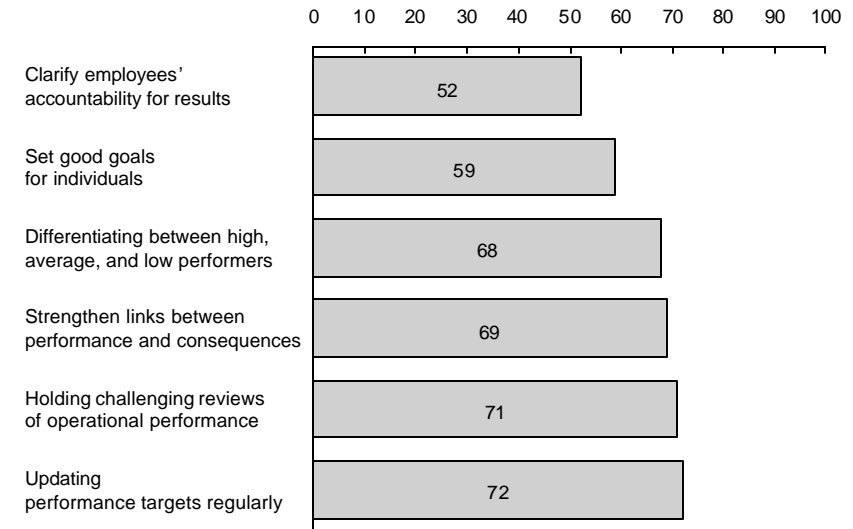
OPPORTUNITIES TO IMPROVE STRATEGIC DIRECTION AND PRIORITIZATION

Percent seeing opportunity to improve



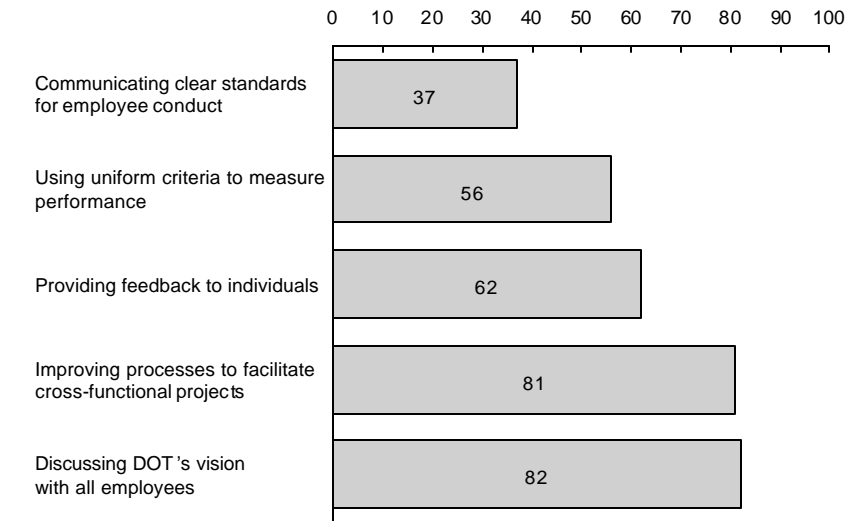
OPPORTUNITIES TO IMPROVE ACCOUNTABILITY

Percent seeing opportunity to improve



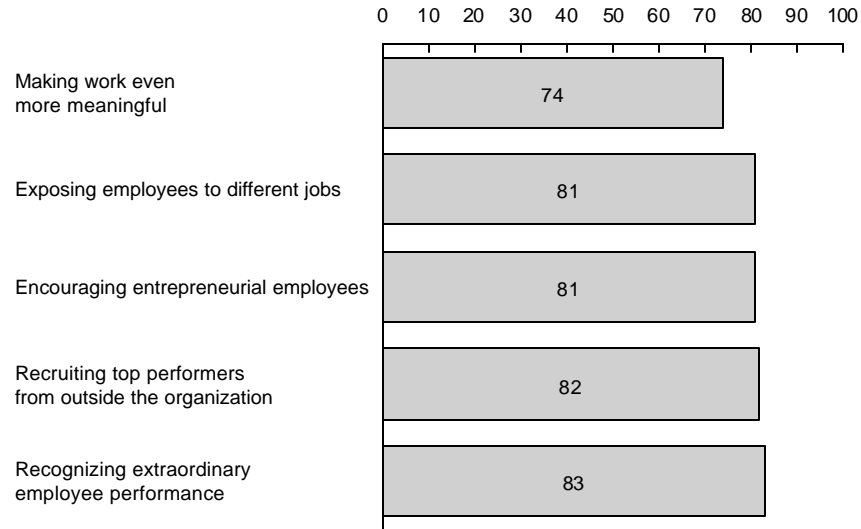
OPPORTUNITIES TO IMPROVE COORDINATION AND COMMUNICATION

Percent seeing opportunity to improve



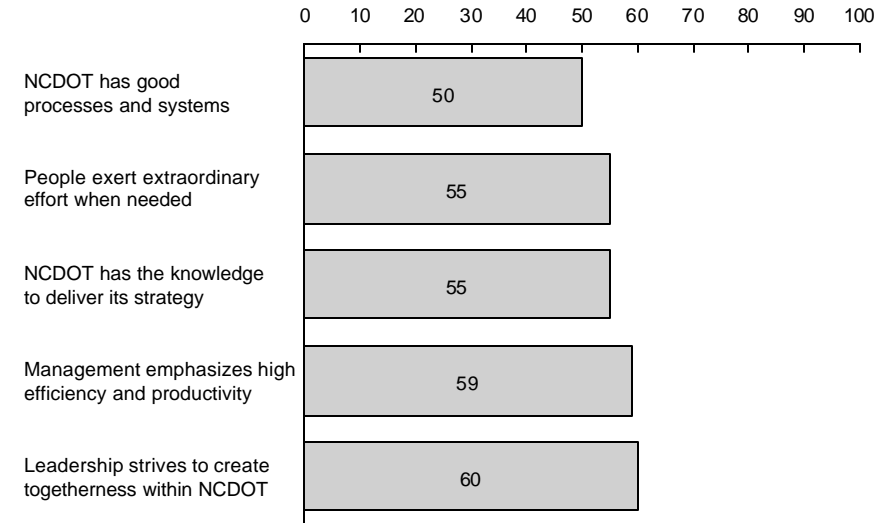
MAKING NCDOT A GREAT PLACE TO WORK IS A PRIORITY

Percent seeing opportunity to improve



NCDOT IS CAPABLE OF CAPTURING THESE OPPORTUNITIES

Percent agreeing or strongly agreeing



Subject: NCDOT Transformation Update

Date: 08/08/2007

Category: General Information

To:

From: Roberto Canales, PE, Transformation Management Team Project Manager

Attachments: MissionandGoal .pdf

Description: I am pleased to announce NCDOT's new Mission and Goals Statement.

Mission

NCDOT: Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity

Goals

Make our transportation network safer

Make our transportation network move people and goods more efficiently

Make our infrastructure last longer

Make our organization a place that works well

Make our organization a great place to work

You may be thinking...

Why does NCDOT need a new Mission and Goals Statement? You told us through the Strategic and Organizational Assessment (which included the all employee survey) that our mission and goals should be clearer and more consistent. Following that, the Secretary challenged the Transformation Management Team to create a mission and goals statement that would guide the Department as we become a 21st Century DOT, because having a clear expression of our mission and goals is the foundation of a high-performing organization. We must first understand where we want to go before we can get there.

In three specific ways, this statement is crucial for our success. By defining our goals, it points all of NCDOT in the same direction. Secondly, it provides the basis for measuring our organization's progress. Finally, it lays out five specific criteria we will use in setting our priorities, enabling us to dedicate ourselves to the projects and activities that bring the greatest improvement in service to North Carolinians. Mission and goals affect everyone in NCDOT everyday.

How was this particular Mission and Goals Statement developed? The Transformation Management Team sought to capture who we are and what we want to accomplish in a single, clear statement. We began by reviewing existing NCDOT documents and looked at mission and goals statements from other good organizations, both public and private, to find what might work for NCDOT. Taking all this together, NCDOT employees shaped a statement that the Secretary, the Board of Transportation and other senior leaders of the Department agree describes our people and our vision.

It's really not that different from what I thought our mission and goals were. In some ways, this is not new. NCDOT has been living and working with these values for years, and we drew on those common themes while shaping the statement. For the first time, however, we have captured those values in a single, widely-communicated statement. In place of several narrow and sometimes conflicting ideas of our mission, we have set one mission for the whole Department, and we will live by it, allowing it to influence all of our decisions.

What does this mean to me? Over 14,000 NCDOT employees work together every day to keep North Carolina moving: on airplanes, ferries, trains, roads, and bridges. Each of our employees – whether they are planning, designing, building, maintaining, operating, or supporting our transportation systems – is working towards this mission and these goals. NCDOT is already a very strong organization with skilled and dedicated people. If we rally ourselves and our work around a clear set of goals, we can improve the way we serve North Carolina.

What should I do? Post the attached Mission and Goals Statement visibly for yourself and your co-workers as a reminder. Think about how your work ties back to it. Refer to it when making decisions. Look for ways to make a greater contribution to achieving these goals everyday. Stay tuned to the Transformation Management Team as we work with you to unveil initiatives that bring the mission and goals to life in every unit.

What comes next? In our next memo we will tell you about the progress of the Transformation and the systems we are setting up to get feedback and suggestions from you.

NCDOT

OUR MISSION

***Connecting people and places
in North Carolina – safely and
efficiently, with accountability
and environmental sensitivity***

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



Subject: NCDOT Transformation Update

Date: 08/23/2007

Category: General Information

From: Roberto Canales, PE, Transformation Management Team Project Manager

Description: Transformation continues at NCDOT. We want to let you know about upcoming opportunities for input and two mechanisms to gather your questions and feedback.

Over the next month, leaders from across the Department will engage in setting the future direction of NCDOT by evaluating the best ways to manage our resources and prioritize our programs, projects and activities. Now is the time to share with your supervisors your thoughts on how to improve NCDOT and the services that we provide to the traveling public. If you are a manager, please meet with your staff and discuss this topic. Your thoughts can be shared with your manager or a member of the TMT through the mechanisms described below.

In addition to these bi-weekly Transformation memos, there are 2 new ways we will share information about the transformation: a website and a telephone hotline. The website is on the DOT Intranet portal. Go to Internet Explorer and put in "intranet.dot.state.nc.us/Portal/". From there click on "Groups" from along the gray bar and then select "TMT" from the pull down list. The site has information on the Transformation effort and contact information for the Transformation Management Team. Feel free to contact the Team to discuss your ideas as mentioned above or use the "Feedback" feature on our website. We will post a list of Frequently Asked Questions and their responses on the site.

You can also leave feedback or ask questions about the Transformation by telephone. 511 is North Carolina's toll free Travel Information Line. Simply dial "511" and say "Feedback". Leave your comments or questions after the prompts. General questions will be answered on our website. If you want a personal response, be sure to leave your name and phone number.

I hope you have had time to think about our new Mission and Goals Statement. Please share with us your ideas on how to make them come alive in your day to day activities by using the feedback options mentioned above. Together we are creating a 21st Century DOT!

Subject: NCDOT Transformation Update

Date: 09/19/2007

Category: General Information

From: Roberto Canales, PE, Transformation Management Team Project Manager

Description:

The Transformation Management Team continues to work with managers across the Department on the following topics:

Prioritization: We are taking a hard look at the Projects, Programs and Services that NCDOT provides and thinking about how to prioritize them to meet our goals.

Metrics: We are creating performance measures for Branches, Divisions and Units across NCDOT to help track progress towards our goals. These will roll up to an overall NCDOT "dashboard" and cascade down to individual unit action plans to help everyone see where their work fits into the overall mission.

Talent Management: We are making sure our employees have what they need to provide the citizens of North Carolina with a 21st Century transportation system. This includes things such as management training, career planning, succession planning for key management positions, and improvements to recruitment and retention practices.

Strategic Planning: We recognize that the needs and resources of the Department will change over time. We are creating a process to evaluate our goals and objectives on a recurring basis to ensure that we continue to work productively towards achieving our mission.

These efforts are all guided by the goals of making our transportation network

SAFER
MORE EFFICIENT
LAST LONGER

while making NCDOT a place that WORKS WELL and is a GREAT PLACE TO WORK.

You can learn more about Transformation by visiting the TMT portal page. (Go to <https://intranet.dot.state.nc.us/portal/>, then pull down the

"Groups" Menu and select "TMT") We welcome your questions or feedback on the Transformation. You can offer them from the portal page by clicking on the words Transformation Management Team under "Contact Us - Web" on the left side of the page or by calling "511" and saying "Feedback".

Subject: NCDOT Talent Initiatives - Hiring Practices

Date: 10/26/2007

Category: Business

From: Roberto Canales, P.E., Transformation Management Team Project Manager

Description:

The Transformation Management Team is in the process of reviewing the Department of Transportation's personnel and hiring practices and will be identifying the most efficient methods for improving these processes. The overarching goal of this review is to significantly improve efficiency in the processing of all personnel actions (postings, new hires, promotions, reclassifications, and salary policies). This review will take several months to complete. In the interim, there are several immediate changes that are being implemented to streamline several current personnel processes.

With the support and approval of Secretary Tippet and Chief Deputy Secretary DeVane, outlined below are process changes being implemented to streamline management of personnel actions:

Postings

Effective immediately, business units will not be required to request formal permission to post or re-post any position. Managers are reminded they shall not re-post a position because a specific individual failed to apply for the position.

When a position becomes vacant, the business unit manager must assess current and projected workload to determine need and the manager must ensure funding is available within the respective program budget to support filling the position. The Human Resources office will monitor all postings and re-postings and will notify senior staff members when issues or questionable situations occur. Business unit managers shall be held accountable for non-compliance or suspected abuse of posting/re-posting policies.

Compensation:

Effective immediately, NCDOT will resume utilizing existing Human Resources policies for computing salaries for new hires, promotions and reallocations. Human Resources policy provides detailed instructions for computing salaries. Factors such as education and experience, scarce skills, current market rates (where available), and salary equity within the business unit must be considered when setting salaries.

In addition the Department will resume allowing funds to be placed in reserves for new hires. These funds can be granted once an employee successfully completes the probationary period. Granting the reserves shall be based on job performance and funding availability within the business unit. Request must be accompanied by documentation supporting the action.

Business unit managers shall be responsible for ensuring salary expenditures are within their budget constraints to support the requested salaries and to ensure inequities are not created within the business unit. The manager must use sound judgement and discretion when setting salaries. The business unit manager shall be held responsible for any non-compliance or suspected abuse of salary administration.

Allowing managers to offer salaries to classes that are not banded within guidelines established by Human Resources will be utilized until these positions are career banded and compensation practices are implemented.

Management approval of personnel actions affecting permanent and temporary positions (hiring packages, position reallocations, and other salary adjustments):

In an effort to streamline the approval process, effective immediately, personnel actions for permanent and temporary positions will require no more than three management approvals, including final approval by the Director of Human Resources. Senior managers should meet with their direct reports to establish the two approval levels within their respective areas. Senior managers must ensure that appropriate criterion is used to

efficiently guide this process successfully.

Prior to any personnel action being forwarded to the Human Resources Director for approval, managers must ensure all personnel policies and procedures have been followed. The business unit manager must ensure funding is available within their program budgets to support requested salaries and to ensure salary inequities are not created within the business unit.

The Human Resource Office will continue to audit all personnel actions to ensure accuracy and consistency across the Department.

Vacancy Rates:

In the past couple of years, the Division of Highways has been directed to maintain varying vacancy caps ranging from 9% to 11%. Effective immediately, the entire Department of Transportation will maintain an overall average vacancy rate of 9%. This restriction will remain in place until the funding for the I-40 repairs has been identified and the organizational assessment for the Department is complete.

Managers are directed to monitor their vacancies and counsel with their direct reports to ensure each business unit is making every effort to keep the Department's overall vacancy rate at a minimum of 9%.

The Human Resources Office will prepare a monthly "Department of Transportation Vacancy Report" to be distributed to senior staff.

Summary:

NCDOT leadership has taken a major step in providing flexibility to business unit managers to administer their human and budgetary resources. In turn, managers must be held accountable for the business decisions they make and for any suspected abuse or non-compliance of personnel policies and procedures. The Human Resources Office will provide a monthly "Department of Transportation Vacancy Report" to senior staff and a monthly

report of all personnel actions (postings, new hires, promotions, reallocations, and any other salary adjustments).

By implementing these process changes, NCDOT will be following best practice that appropriately places accountability for human resource management on the business unit manager who is in responsible charge of the human budgetary resources affecting their business unit.

Questions regarding these procedure changes should be addressed to the Director of Human Resources.

The TMT will continue to partner with Human Resources to implement ways to make DOT an even greater place to work.

Subject: NCDOT Talent Initiatives – Formal Mentorship Programs

Date: 10/26/2007

From: Roberto Canales, P.E., Transformation Management Team Project Manager

Description:

Secretary Tippet approved the Transformation Management Team (TMT) recommendation to develop a department-wide mentoring program to enable DOT to transform to a coaching culture that builds an effective workforce for the future. Mentorship is one of the best, most cost effective ways to develop employees through transfer of experiences, knowledge and skills.

In order to begin this coaching and mentoring culture and to signal our commitment to the cultural shift, the following steps will be taken:

The TMT will partner with Human Resources to develop and implement a pilot mentoring program for the Transportation Engineering Associates. This program will partner the existing employees as well as those that will begin the program January 2008. A committee will be formed to oversee the program with Human Resources and get feedback from the participants to build the best program for our engineers to be successful.

Human Resources will form a committee to reinstate the Raleigh-based Female Mentorship Program with a plan to implement statewide. The Department can learn from this pilot effort and provide positive reinforcement to an important demographic within our organization.

As part of this mentorship program, the TMT will continue a rotation plan of key individuals within the Department for special assignments in our transformation efforts and eventually within the Strategic Planning Office for Transportation (SPOT), once formed. SPOT rotation will help to better develop key leaders by providing more organizational awareness and improved strategic planning skills.

A report will be provided to the department leadership on these pilot programs July 2008.

Ultimately Human Resources will create and implement a department-wide mentoring program by integrating successes from the pilot programs and other best practices. The target date is

January 2009.

I encourage everyone to create a mentorship environment in our daily operations. Many of us have benefited from mentoring informally throughout our careers and now the Department will embrace this as a business practice. Formal mentoring programs are recognized as best practice in high performing public and private organizations.

These and other programs will help DOT in meeting our mission and goals by becoming more effective and efficient with a quality workforce to be the best 21st Century DOT.

Thanks for all you do to make DOT an even greater place to work.

Subject: NCDOT Talent Initiatives – Work Options Program

Date: 10/26/2007

From: Roberto Canales, P.E., Transformation Management Team Project Manager

Description:

During the diagnostic phase of the NCDOT transformation efforts, employees repeatedly expressed the desire for greater flexibility in their work schedules. Secretary Tippetts has approved the Transformation Management Team's recommendation to embrace a "Work Options Program." This program is consistent with previous Human Resources policies and procedures that give managers and supervisors flexibility to provide work options other than the standard 8:00 am to 5:00 pm, five-day, 40-hour workweek.

The purpose of this memorandum is to make all managers and employees aware of the various work options that are available. The Work Options Program consists of:

Alternative Work Schedules: There are two types of alternative work schedules currently available to NCDOT employees:

Flexible hours: Arrival and departure times differ from the traditional 8:00 am to 5:00 pm work day. For example, with approval from the supervisor, an employee may begin the workday at 7:00 am and end the workday at 4:00 pm with 1 hour for lunch. If approved by the supervisor, the employee may begin at 7:00 am and end at 3:30 pm with a 30-minute lunch period.

Compressed work schedules: An employee who works a compressed schedule works a 40-hour week in less than 5 days. For example, if approved by the supervisor, an employee may work four, ten-hour days or four, nine-hour days with one, four-hour day.

Reduced work hours: This option allows an employee to work less than 40 hours per week but maintain their permanent job status. For example, the employee's workweek could be reduced to 30 hours per week. An employee who works at least 30 hours per week would earn leave on a $\frac{3}{4}$ time basis, but would be eligible for all other benefits based on full-time service.

Job sharing: Two people are allowed to share one permanent, full-time position. They split the 40-hour workweek. For example, one employee might work 24 hours and the other

employee work 16 hours for a total of 40 hours shared between the two employees. If an employee works less than 30 hours per week, their leave time is pro-rated based on the number of hours, they do not receive health benefits (but may purchase at the state rate) and they do not contribute to the retirement system; they are eligible for pro-rated longevity.

Business unit managers will be responsible for the approval of any alternative work schedule for their employees. Participation in any variation of the standard eight-hour per day, 40-hour workweek should only be allowed if the business manager can ensure there is no disruption or reduction in services and adequate coverage is maintained. Work schedules must be consistent with the needs and demands of the individual work unit. Managers are encouraged to provide alternative work options to accommodate both the needs of the work unit and the employees. However, because of specific job requirements, not all of the above listed work options are available to all employees. Work schedule flexibility may be limited or prohibited in some areas.

Each business unit shall be required to maintain up-to-date records of all employee schedules. Participation in an alternative work schedule may be suspended by the employee's supervisor based on an employee's inability to meet their job expectations or based on changing needs in the business unit.

There are many benefits to promoting alternative work options within an organization. It is a very effective recruitment and retention tool that results in a more satisfied and healthy workforce. It improves employee morale by giving employees more control to balance work and personal responsibilities. Employees use less leave time due to flexibility in planning personal and medical appointments. In addition, the Work Options Program expands job opportunities for handicapped citizens, senior citizens and others.

Alternative work schedules also have environmental impacts by improving congestion (employees travel outside peak traffic hours) and reducing fuel consumption.

Human Resources will be developing the new Work Options Program guidelines which all business units and employees will be expected to follow. Employees who do not adhere to the guidelines

or abuse the flexibility given them will no longer be allowed to participate in the program and will be subject to disciplinary action, up to and including dismissal.

Managers are encouraged to support employee participation where practical within the business unit. Thanks for all you do to make DOT an even greater place to work.

Subject: Transformation Update

Date: 10/31/2007

Category: General Information

From: Lyndo Tippet

Description:

As you will recall, in April I asked for your input and assistance with our transformation initiative, an effort aimed at improving the way that we conduct business and provide services to the public.

An important component to this evaluation was the survey that nearly 9,000 employees completed to provide the Transformation Management Team (TMT) with a clear understanding of the current state of our organization. Through your input, the TMT was better able to develop the Department's 21st century mission statement and goals to provide a safer, more efficient and effective transportation system. For those who completed the survey, thank you for sharing your thoughts and opinions.

Recently, the Department received a lengthy public information request. One of the items requested is the survey response. It has come to my attention that we had survey responses stored on a Department computer to be analyzed in order to identify changes needed to achieve our performance objectives. Because these documents are in our possession, Chapter 132 of the North Carolina General Statute requires the Department to provide this information, and we have done so.

I want to reassure you that the materials provided pursuant to the request did not identify individuals, with the exception of one employee who wrote his name and contact information on his response. (This employee has been notified.) As I stated in April, the survey responses were analyzed by division or function and not by individual respondents.

Although no employee names are connected to individual comments, I thought it important to let you know that the Department has provided this information and that we have taken every reasonable step to protect individual confidentiality.

The North Carolina Department of Transportation has embarked upon an exciting change to meet the 21st century aspirations of our state and the people who use our transportation system. With your continued support, I am confident that the Department will be successful in obtaining our goal to provide a safer, more efficient and

effective transportation system with renewed accountability.

Please note that the report prepared by McKinsey & Company will be available on the Department's web page this afternoon.

Subject: Transformation Question & Answer Session

Date: 11/05/2007

Category: General Information

From: Lyndo Tippet

Description:

As you aware, the Department is undergoing a "transformation". To help you better understand of this process, please join me on Thursday, November 8 at 10:00 a.m. in the Transportation Building Auditorium.

I will discuss transformation efforts to date and then provide you an opportunity to ask questions.

Please know that this is the first of many Question & Answer Sessions that will be held in various locations in Raleigh and across the state. You soon will be notified of other opportunities available.

The following documents provide additional information about Transformation and can be found on <http://www.ncdot.org/programs/dashboard/>.

[Laying the Foundation for a Successful Transformation](#)

[NCDOT Transformation Progress Report](#)

[NCDOT Transformation Update for Joint Legislative Transportation Oversight Committee](#)

Managers: please ensure that employees in the Transportation Building without email are aware of this event.

Subject: Transformation Update – Core Values

Date: 12/06/2007

Category: Business

From: Roberto Canales, PE, Transformation Management Team Project Manager

Description:

NCDOT has established five core values that represent the manner in which we will conduct our business. These values state the behavior that is expected of all NCDOT employees everyday. These values represent the philosophy of NCDOT and will serve as the benchmark that our customers (both internal and external) will use to judge the actions of our organization as well as our individual actions.

OUR VALUES ARE:

Safety: We strive for safety throughout our transportation networks as well as in our work and our daily lives.

Customer Service: We respond to our customers, both internal and external, in an open, professional and timely manner.

Integrity: We earn and maintain trust by responsibly managing the state's assets, acting ethically, and holding ourselves accountable for our actions.

Diversity: We draw strength from our differences and work together in a spirit of teamwork and mutual respect.

Quality: We pursue excellence in delivering our projects, programs, services and initiatives in an environmentally sensitive manner.

We are committed to using these values to guide us in our everyday decision-making, the work that leads us to meet our goals, and we recognize that adherence or non-adherence to these values directly impacts the achievements and success of our organization.

As we approach the holidays, I would like to thank the Transformation Management Team for all their hard work over the last 5 months. They are doing the leg work to make a better NCDOT for the travelling public and our employees statewide.

Subject: Female Mentoring & Development Program

Date: 01/09/2008

From: Roberto Canales, P.E., Transformation Management Team Project Manager

Attachments: [RECOMMENDATION2008.doc](#)
[MENTOR_APP2008.doc](#)
[MENTEE_APP2008.doc](#)

Description:

In July 2005, NCDOT successfully concluded the Pilot Mentoring Program for Females. It was a resounding success with 100 percent of the surveyed participants endorsing the continuation of the program.

This past October, Secretary Lyndo Tippet approved the Transformation Management Team's recommendation to develop a department-wide mentoring program to enable NCDOT to transform to a coaching culture that builds an effective workforce for the future. This is our commitment to you and also an important element of our employee value proposition (EVP). Research has demonstrated that mentoring is one of the best, most cost-effective ways to develop employees through the transfer of experiences, knowledge, and skills.

We are pleased to announce the reinstatement of the Female Mentoring & Development Program. Four regional programs will run concurrently with groups meeting in the Raleigh/Wake County Area, and the eastern, central, and western portions of the state. The program begins in February with a Kick-off Celebration. Then, each month thereafter, groups will meet for learning sessions that will feature speakers, facilitators, and exercises on relevant topics. The program concludes in December 2008.

Applications for participation in the Female Mentoring & Development Program are attached. This year, in addition to the mentors and/or mentees applying for participation in the Female Mentoring & Development Program, supervisors are required to provide their recommendation for potential program participants. Eligible candidates to serve as mentors must be permanent employees with a minimum of five years of service in North Carolina State Government and three years of service with NCDOT and no performance or

disciplinary actions/issues. Eligible mentee candidates should have less than five years of service with North Carolina State Government and less than three years of service with NCDOT. Mentee candidates can be permanent, probationary, or trainees with NCDOT.

The deadline to apply for the Female Mentoring & Development Program is January 31, 2008. **All applications and recommendations must be emailed to**

DOTFemaleMentoring@dot.state.nc.us by January 31, 2008.

Program participants will be notified of their selection shortly thereafter. Any questions concerning the Female Mentoring & Development Program may be sent via email to DOTFemaleMentoring@dot.state.nc.us.

Subject: REMINDER: Pilot Female Mentoring & Development Program

Date: 01/30/2008

Category: General Information

From: Roberto Canales, P.E., Transformation Management Team Project Manager

Description:

This is a reminder that the deadline for applying to participate in the Pilot Female Mentoring & Development Program is January 31, 2008. Application information can be accessed via the Department's Intranet portal. This year, in addition to the mentors and/or mentees applying for participation in the Pilot Female Mentoring & Development Program, supervisors are required to provide their recommendations for potential program participants. Eligible candidates to serve as mentors must be permanent employees with a minimum of five years of service in North Carolina State Government and three years of service with NCDOT and no performance or disciplinary actions/issues. Eligible mentee candidates should have less than five years of service with North Carolina State Government and less than three years of service with NCDOT. Mentee candidates can be permanent, probationary, or trainees with NCDOT.

The Pilot Female Mentoring & Development Program is open to female employees of all pay grade classifications. As the Department moves toward creating a mentoring and coaching culture that builds an effective workforce, this effort will serve as one of several models from which to craft a statewide mentoring program for all employees.

All applications and recommendations must be emailed to DOTFemaleMentoring@dot.state.nc.us by January 31, 2008.

Program participants will be notified of their selection shortly thereafter. Any questions concerning the Female Mentoring & Development Program may be sent via email to DOTFemaleMentoring@dot.state.nc.us.

Subject: Talent Management Update

Date: 02/20/2008

From: Roberto Canales, P.E.

Description:

We are excited to make NCDOT a top performing organization that will “connect people and places in North Carolina”. As part of the Transformation effort we are working with NCDOT Human Resources, the Office of State Personnel and work groups made up of DOT employees. These work groups are developing plans to recruit the best candidates into the organization, to develop our employees’ abilities, and to retain our good employees. We have modeled our recommendations after those found in high performing private and public organizations throughout the world. This part of the Transformation effort is called “Talent Management”.

Secretary Tippet approved moving forward on the following Talent Management initiatives to better recruit, retain, and develop our employees:

- Provide information that allows managers to understand the make-up of their workforce. This will allow them to better plan for the specific “talent” needs of their “business unit”.
- Improve our hiring process to attract the best employees and hire them quickly.
- Define and improve NCDOT’s current “employer value proposition” and identify areas of improvement for our employees. An “employer value proposition” is all of the things that make DOT a great place to work, such as salary, benefits, work/life balance, etc.
- Implement a new results based performance management system that measures what we do each day to achieve success and helps develop our employees.
- Develop technical, managerial, and functional career tracks that will strengthen our organization and allow our employees to build satisfying careers.
- Implement a leadership planning process for key positions that drive our mission, goals, and strategic direction. This process will also identify high potential employees to build their capabilities so that they are prepared to fill leadership positions in the future.
- Develop an employee engagement survey. We plan to gauge employee satisfaction, commitment, and motivation to their work,

their team and NCDOT. This will help us measure progress towards the goal of being “a great place to work”.

- Improve our recruiting program to attract high performing employees and future leaders.
- Improve our employee orientation process to better integrate new employees into the Department and their new responsibilities.

Nearly 14,000 employees drive DOT’s success each day. These new strategies will enable DOT to be “a place that works well” and “a great place to place to work” as we work to “make our transportation system safer, more efficient and last longer”.

Subject: Hiring Practices

Date: 06/11/2008

From: Roberto Canales, P.E. and Angela Faulk

Attachments: [CandidateSelectionForm.doc](#)
[ExampleCandidateSelectionForm.do](#)

Description:

The Department's Transformation Management Team (TMT) is continuing to identify process improvements to enhance the delivery of our projects, programs, services and initiatives. Over the last few months, the TMT's Talent Management Team has been reviewing NCDOT's current hiring practices to identify process changes that will help NCDOT hire talent in a more efficient manner with emphasis on reducing the turnaround time of personnel actions from posting to final approval.

As recommended by the TMT and approved by the TMT Leadership Team and Director of Human Resources, the following process changes will be implemented effective June 1, 2008:

- a. **Use of the PO-600 (Interview Record) will be eliminated.**
The current hiring process requires the interviewer to complete a PO-600 for each applicant interviewed to record the knowledge, skills, abilities and work experience related to the position. This practice will no longer be required.
- b. **Letters of justification will be eliminated.** The current hiring process requires letters of justification for multiple things including selecting a qualified applicant over most-qualified applicant; non promotional priority over promotional priority; non veteran's preference over veteran's preference; and non-selection of an applicant with RIF priority. These justifications have usually focused on why individuals were not selected, rather than emphasizing why a particular candidate was selected. These justification letters are often repetitive with information included on the PO-600 and EEO notification form, and result in multiple, and lengthy letters. **Beginning June 1, 2008, the hiring manager will complete the new "Candidate Selection Form" for each hiring package.** Attached is a copy of the form.

To ensure NCDOT continues to meet the requirements outlined in the Merit Based Hiring Policy and EEO procedures, it is very important the hiring manager provide a thorough, detailed explanation of the selection on the Candidate Selection Form. The explanation should focus on why the applicant was selected (i.e., knowledge, skills, abilities and work experience directly related to the position requirements). When needed, salary justification may be included on this form. For your information, attached is an example of a completed Candidate Selection Form.

- c. The EEO notification form will be revised to delete Sections B & C. The EEO notification form will only be used to transmit information to the hiring manager regarding under-utilization. The explanation for the selection decision, which is currently being put on the EEO notification form, will now be captured in the Candidate Selection Form.
- d. The Qualification Evaluation Report (QER) will be revised to print a column that will indicate which applicants were interviewed or declined an interview. This will enable the approving manager(s) to review the interview selection and ensure an adequate pool of applicants was considered for the position. Until the QER is revised, the hiring manager must highlight the names on the QER of the applicants that were interviewed for the position and indicate "declined" beside the names of applicants who were contacted for an interview but declined or failed to show up for the interview.
- e. Managers must retain any interview questions, interview notes, and tests given the applicants with the business unit's file copy of the hiring package that is maintained in the business unit.

These process changes should help reduce the amount of time it currently takes to process a personnel package. You will be hearing of additional process improvements in the near future.

I am asking that you ensure this information is distributed to your business unit managers and supervisors. If you have any questions

or concerns regarding this memorandum or these procedures, please contact Angie Fanelli in the Human Resources Office at 733-2984.

NCDOT HUMAN RESOURCES
CANDIDATE SELECTION FORM

Date:						
Division/Unit:						
8 digit position number:						
Job (Classification):						
Position (Working Title):						
Selected candidate:						
Selection is designated by HR as:	<input type="checkbox"/>	Most Qualified	<input type="checkbox"/>	Qualified		
Selection has promotional priority:	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No applicants with promotional priority.
Selection has veterans preference:	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No applicants with Veteran's Preference
Selection has RIF priority:	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No applicants with RIF priority
Selection is from Under-Represented Category (EEO)	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	No applicants from Under Represented Category
Explanation of selection: Provide a detailed explanation (knowledge, skills, abilities and work experience) of why this applicant is the best candidate for this position. If applicable, include salary justification:						
(Level 1) Approved by:			Title:			Date:
(Level 2) Approved by:			Title:			Date:
(Level 3) Approved by:			Title:			Date:

Note: Attach the completed Candidate Selection Form to the front of the personnel hiring package.

EXAMPLE

NCDOT HUMAN RESOURCES CANDIDATE SELECTION FORM

Date:	June 1, 2008
Division/Unit:	Materials & Tests
8 digit position number:	12345678
Job (Classification):	Transportation Technician II
Position (Working Title):	Same
Selected candidate:	John Smith

Selection is designated by HR as:	<input checked="" type="checkbox"/>	Most Qualified	<input type="checkbox"/>	Qualified	
Selection has promotional priority:	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/> No applicants with promotional priority.
Selection has veterans preference:	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> No applicants with Veteran's Preference
Selection has RIF priority:	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/> No applicants with RIF priority
Selection is from Under-Represented Category (EEO)	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/> No applicants from Under Represented Category

Explanation of selection: Provide a detailed explanation (knowledge, skills, abilities and work experience) of why this applicant is the best candidate for this position. If applicable, include salary justification:

Mr. Smith has more directly related experience than any of the other qualified applicants for this position. He previously worked for NCDOT and has 5years and 3months progressive, practical roadway field experience. He has a BSCE and has completed the NCDOT Highway Engineering Concepts (HEC) course. Mr. Smith has completed the following additional courses and certifications which are directly related to the duties of this position: ACI and NCDOT Concrete Field Technician Grade 1, ABC Sampling, Asphalt Conventional Density, PC Concrete Paving, and QMS Roadway Course. Mr. Smith scored exceptionally high on the fundamental math/NCDOT field technician test that was given to all applicants interviewed for this position. With his training and experience, Mr. Smith has the ability to perform the duties of this position without any additional training and would be an asset to this unit.

(Level 1) Approved by:		Title:		Date:	
(Level 2) Approved by:		Title:		Date:	
(Level 3) Approved by:		Title:		Date:	

Note: Attach the completed Candidate Selection Form to the front of the personnel hiring package.

Subject: Streamlining the Approval Process

Date: 06/11/2008

From: Roberto Canales, P.E., and Angela Faulk

Description:

The Department's Transportation Management Team (TMT) is continuing to identify process improvements to enhance the delivery of our projects, programs, services and initiatives. Over the last few months, the TMT's Talent Management Team has been reviewing NCDOT's current hiring practices to make our hiring processes more efficient.

On October 25, 2007 a memorandum was distributed implementing several process changes relating to hiring practices. One of those process changes was that personnel actions would require no more than three management approvals, including final approval by the Director of Human Resources. However, the approval levels were not specifically defined in the October 25 memorandum.

As recommended by the TMT and approved by the TMT Leadership Team and Director of Human Resources, the approval levels for personnel actions are defined as:

Approval 1: Hiring manager or supervisor

Approval 2: Next level supervisor

Approval 3: Human Resources Director or designee

The hiring manager is defined as the first person who makes the selection decision; this is usually the interviewer. The hiring manager is typically the immediate supervisor or the person who would be responsible for the performance evaluation.

As personnel approval is delegated down within the business unit, the Business Unit Manager has the responsibility of relaying their expectations to managers in their units who will be approving personnel decisions. Business Unit Managers must ensure that all applicable human resource policies and procedures are followed (i.e., Merit Based Hiring Policy). Good judgment must be used when selecting talent and approving all hiring, promotional, classification and salary decisions. Managers responsible for approving these actions must understand they will be held accountable for the decisions they make.

Minimizing the number of reviews and approval signatures for personnel actions will significantly help us reach our goal of reducing the turnaround time of personnel actions.

If you have any questions regarding this procedure, please contact Angie Fanelli in the Human Resources Office at 733-2984.

Subject: Changes to the Posting, Waiver and Filling of Vacant Positions Policy

Date: 06/18/2008

From: Roberto Canales, P.E. and Angela Faulk

Attachments: [PostingPolicy.doc](#)

Description:

The Department's Transformation Management Team (TMT) is continuing to identify process improvements to enhance the delivery of our projects, programs, services and initiatives. Over the last few months, the TMT Talent Management Team has been reviewing NCDOT's current hiring practices to identify process changes that will help NCDOT hire talent in a more efficient way with emphasis on reducing the turnaround time of personnel actions from posting to final approval.

As recommended by the TMT and approved by the TMT Leadership Team and Director of Human Resources, the Posting, Waiver and Filling of Vacant Positions Policy & Procedures have been revised and updated. Changes include:

Any vacant position can be posted for a minimum of five workdays. Current practice only allows positions that are posted internally to DOT to be posted for five days. This change in practice enables the hiring manager to decide the most appropriate length of time for the posting based on the needs of the business unit. The hiring manager is responsible for determining the appropriate posting period and whether to post positions internally or externally.

Faxed and emailed applications can be accepted. If the hiring manager chooses not to accept faxed and/or emailed applications, it should be clearly indicated on the posting. In addition, applications without signatures or check off on the conviction statement can be accepted as long as the hiring manager obtains the necessary information at the interview. Also, if the manager requires the application to be fully completed (i.e., to include signatures and check off of conviction statement), it should be clearly indicated on the posting.

Postings can be entered directly by the division/unit into BEACON without going through Human Resources. The division/unit will ensure the posting is accurate and meets all necessary requirements. This will speed up the process of getting a position posted.

The hiring manager is allowed, and encouraged, to include the actual hiring range within the body of the posting (the actual minimum to maximum that can be offered). By doing this, the hiring package will be limited to those applicants who are interested in accepting a position at a salary within the actual hiring range that is realistic for the position.

In addition to posting a vacant position in BEACON, the hiring manager can utilize alternate posting methods such as newspapers, publications, professional associations, web sites, etc. The Human Resources Recruitment office can offer assistance in the use of alternate posting methods.

These changes to the posting process should help managers hire the best talent and post positions in a more efficient and timely manner. If you have any questions or concerns regarding these procedures, please contact Angie Fanelli in the Human Resources Office at 733-2984.

POSTING, WAIVER, AND FILLING OF VACANT POSITIONS POLICY & PROCEDURES

Each permanent position to be filled must be posted with the exception of approved waivers. Temporary positions are not required to be posted, including positions filled by Model Co-operative Education students and state government interns.

POSTING:

- Positions to be filled shall be posted for a minimum of five workdays. The hiring manager is responsible for determining the appropriate posting period and whether to post positions internally or externally.
- Faxed and emailed applications will be accepted. In addition, applications without signatures or check off on the conviction statement will be accepted as long as the hiring manager obtains the necessary information at the interview. If the hiring manager chooses not to accept faxed and/or emailed applications, it should be indicated on the posting. Also, if the manager requires the application to be fully completed (i.e., to include signatures and check off of conviction statement), it should be indicated on the posting.
- Postings must be entered electronically by the division/unit into BEACON. The division/unit will ensure the posting is accurate and meets all necessary requirements. If Human Resources finds that the requirements have not been met, the unit/division will have to repost the position.
- The hiring manager is encouraged to include the hiring range (the actual minimum to maximum that can be offered) within the body of the posting.
- In addition to posting a vacant position in BEACON, the hiring manager can utilize alternate posting methods such as newspapers, publications, professional associations, web sites, etc. The Human Resources Recruitment office can offer assistance in the use of alternate posting methods.

Time Period for Accepting Applications:

All applications for posted positions must be received within the posting dates.

The Office of State Personnel has agreed that applications received in the **first mail delivery only** of the following day after the closing date can be accepted. This allows any applications in the evening mail of the closing date to be accepted. It should be indicated in the posting if a division/unit will only accept applications received by close of business on the closing date of a posting.

Applications hand delivered the day after the closing date of the posting will not be accepted.

It is the responsibility of the contact person to date stamp when the application is received, prepare a list of all applicants on the Qualification Evaluation System (QES) and forward to the Classification, Compensation and Policy unit. Late applications should be stamped with the date it is received and forwarded to the Classification, Compensation and Policy unit along with the rest of the applications

for the posting. Applications received in the first morning mail after the closing date should be stamped with the closing date.

REPOSTING:

When a position is reposted, all applications from prior postings must be submitted to the Classification, Compensation and Policy unit as a separate part of the applicant package since they have been previously evaluated and entered in the system.

WAIVER:

Waiver of posting may be requested if the following conditions are met. Each waiver must be approved by the Human Resources Director.

- a. The position is filled within 60 days of the beginning posting date of a previously posted position with the same classification.
- b. The position description, knowledge and skill requirements and geographical location is identical to the previously posted position.
- c. The applicant recommended for the waiver of posting did apply and was considered for the previously posted position.
- d. The waiver letter, submitted with a Human Resources Action Form on the recommended applicant, must be submitted within 60 day period and include (1) posting dates of the previous position, (2) the BEACON position number of the previous position; and, (3) the cost center of the previous position.
- e. The waiver should be for an applicant from the designated Most Qualified pool to comply with Merit-Based Hiring procedures.

SELECTION:

Selection of a recommended applicant must be made within 90 days of the ending posting date. If there are extenuating circumstances, an exception may be requested in writing to the Classification, Compensation and Policy Manager; otherwise, the position must be reposted. If the position is reposted, each applicant who applied for the position during the first posting period should be notified by letter of the reposting and informed that they will still be considered.

When a recommended applicant declines a position and it is within 60 days from the beginning posting date, a second choice selection may be made from the same package. However, management should be aware that if there was a RIF applicant in the package and their RIF rights have subsequently expired, they would still have whatever RIF priority they had when they applied for the position.

If an applicant accepts a position and reports to work and resigns within 30 days of the initial appointment, management may request that a second selection be made from the applicant pool.

Subject: Transformation Update

Date: 06/30/2008

Category: Business

To: Dist A.

From: Roberto Canales, P.E., Transformation Management Team (TMT) Project Manager

Description:

I just wanted to update you on some on-going Transformation activities and information.

“Works Well” Gauge – Another gauge has gone “live” on our NCDOT Performance Dashboard. “Delivery Rate” represents how well the Department is delivering its planning, design, construction and maintenance activities while protecting the state’s natural resources. This gauge represents our goal of making NCDOT be an organization that works well. Check it out here or by clicking on the “Dashboard” link on the NCDOT home page.

Workstream Status Report - The TMT Portal page has lots of information about the team's work. The “Workstream Status Report” gives details about the 30 plus workstreams that the Team is working to improve. Contact information for workstream Team Leads is included. , If you are interested in a certain workstream feel free to contact the Team Lead and share your ideas. To get there go to the TMT Portal page and open the “Workstream Updates” folder in the TMT Document Library.

Want to Be A Star? In addition to making NCDOT a great place to work for today’s staff, we need you to help recruit future high quality employees. Consider sharing what a career at DOT means to you on our new Careers section of the NCDOT Web site. Please click here or visit

<https://apps.dot.state.nc.us/ContactUS/PostComment.aspx?Unit=Testimony>

Feel free to share your suggestions about how to improve NCDOT by using the Contact Us feature on the TMT Portal Page or by calling “511” and saying “feedback”. Thank you for doing your part to improve the ways we connect people and places in our state!

Subject: Transformation Update

Date: 08/13/2008

To: Dist A.

From: Roberto Canales, P.E., Transformation Management Team (TMT)
Project Manager

Attachments: FAQ _Compensation.doc

Description:

As a follow-up to the Question and Answer Sessions with Secretary Tippet, we have compiled frequently asked questions and their answers. The first series deals with questions about Compensation (pay) for our employees. Others will follow on topics including Beacon, our new Performance Management system and how Transformation will affect the Department.

These questions and answers will be posted on the [TMT Portal Page](#) and be announced through email messages like this. Please be sure that employees without email access are given the opportunity to read these questions and answers.

Feel free to share your thoughts and comments through our "Contact Us" function on the [TMT Portal Page](#).

Date: 09/24/2008

Subject: New Performance Management System

From: Daniel H. DeVane, Chief Operating Officer

Description:

As you are aware, in April, NCDOT's top managers began the current performance cycle using the new Performance Dashboard & Appraisal (PDA), which is the tool used to document performance expectations (metrics) and results achieved.

This new system will be implemented for all employees in April 2009. Beginning October 1, 2008, all employees will transition to the new system for a six-month introductory period. The purpose of this six-month transition period is to allow time for employees to become familiar with the new process, to allow time for managers and supervisors to develop performance metrics for employees, and validate the performance measures, targets, and weights prior to implementation next year. At the end of this transition period, your introductory PDA will be evaluated along with your current performance management plan that was prepared in April 2008. However, your performance rating for the period April 1, 2008, thru March 31, 2009, cycle will be based upon your current PM, excluding the top leadership positions that began the cycle with a PDA.

Over the last five months, managers and supervisors across the Department have attended training on results-based performance management and the new PDA process. **I am directing managers and supervisors to begin meeting with their employees to introduce them to the new PDA process. Each employee should have a PDA in place by October 31, 2008.**

The TMT Performance Metrics and Management Team has been working with many managers individually to develop performance metrics. In addition, senior managers were asked to create focus groups to develop "like metrics", which are results expectations that may be the same across similar classifications within the Department. For example, there are multiple administrative positions across the state with similar performance expectations. Therefore, a focus group of administrative staff members from various business units was formed to develop examples of like metrics specifically for administrative roles.

A metrics library has been created as a resource tool for supervisors to use

as they establish metrics for their employees and to provide consistency throughout the Department. To view or download the Metrics Library, instructions, forms, the new Performance Management Policy & Procedures, Guidelines to Developing Metrics, and other documents related to the performance management system, log onto the NCDOT portal. On the portal home page, you will see in orange letters "New Performance Management System" then click on the folders to access these documents.

A results-based performance management system is designed to support a performance culture in which clear expectations are established, and employees are held accountable for achieving the expected results. This new system represents a significant change for all of us and that is why this six-month transition period is so important. We want all employees to fully understand the new system prior to statewide implementation next year.

If you have questions, please contact your supervisor or business unit manager. You may also contact one of the following for assistance with:

Developing Metrics:

Victor Barbour: vbarbour@ncdot.gov

Ken Pace: kpace@ncdot.gov

Ron Allen: rallen@ncdot.gov

Ehren Meister: emeister@ncdot.gov (for assistance with metrics)

PDA Process/Forms:

Teresa Pergerson: tpergerson@ncdot.gov

Terry Hopkins: thopkins@ncdot.gov

Performance Management Policy Interpretation:

Patricia Broadhurst: pbroadhurst@ncdot.gov

I appreciate your continued support as our Department continues to strive to make our organization a place that works well and a great place to work.

Subject: NCDOT Organizational Chart

Date: 10/07/2008

To: Dist A.

From: Lyndo Tippet

Description:

An updated organizational chart for the North Carolina Department of Transportation is now available on the NCDOT Home Page under the "What's New" section called "NCDOT Realignment".

Since the announcement of the realignment in August, managers have been making the necessary decisions to move forward while keeping employees informed.

The Governance Office is working with TMT members through Chief Operating Officer Dan DeVane to handle the logistics such as changes to cost centers, office space, security issues, updating the DOT directory and other details. These changes should be complete by the end of October, and you will continue to be notified as these changes occur.

The Department is working within this new structure to improve the way we "connect people and places in North Carolina". Please know there is still much to do to complete the realignment, and your continued support is vital.

September 2007

SECRETARY'S MESSAGE

In this issue of *In the Loop*, you will see examples of the many ways North Carolina Department of Transportation employees are lending a helping hand to their surrounding communities. From helping build homes for those in need, to supporting coworkers going through difficult circumstances, NCDOT employees continue to demonstrate kindness, generosity and compassion.

Some of you may not be aware that state employees can take community service leave to engage in volunteer work that supports North Carolina's schools, communities, citizens and non-profit organizations. Full-time employees are eligible for up to 24 hours a year for community service, or they can opt to receive up to one hour per week, for a total of 36 weeks, to tutor or mentor in a school. I encourage each of you to consider ways you would enjoy serving in our communities and using your gifts and talents to improve the lives of others.

I also want to take this opportunity to remind everyone to consider participating in the 2007 North Carolina State Employees Combined Campaign. For the past 21 years, SECC has provided state employees with the opportunity to help others less fortunate, donate to research and protect the environment for future generations. This year there are more than 900 charities to choose from, ranging from independent organizations to nationally recognized charities with chapters throughout the state and country.

Along with the theme of serving others, I felt it appropriate to share with you again the new mission and goals NCDOT unveiled last month to help us provide a higher level of service to the citizens of North Carolina and improve our organization as a whole.

OUR MISSION

Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity.

OUR GOALS

- Make our transportation network safer.
- Make our transportation network move people and goods more efficiently.
- Make our infrastructure last longer.
- Make our organization a place that works well.
- Make our organization a great place to work.

I encourage you to provide feedback to your managers about how your work group, as well as our entire department, can better support our overall mission and goals. Please take this opportunity to participate as we change the way NCDOT does business in the 21st century.

Sincerely,



LyndoTippet

November 2007

Secretary's Message

During the past several months, the North Carolina Department of Transportation has been working hard to implement changes that will help us better serve the citizens of North Carolina.

On Oct. 12, we held a ribbon cutting in Elizabethtown to officially open the Division of Motor Vehicles Customer Contact Center in Bladen County. The new facility serves as a centralized call center for motorists to call in with questions regarding areas and services that DMV oversees. The center will eventually house 100 staff members and receive an average of 50,000 calls per month.

As you know, NCDOT is currently in a Transformation process. In October we reported to the Joint Legislative Transportation Oversight Committee on our progress to date. They thought we were on the right track with our efforts, but continue to ask for improvements that help us better serve our citizens.

As part of this effort, we made changes to department policies concerning alternative work schedules, mentoring and hiring practices. These changes were based on your feedback to the McKinsey survey. We heard from you that managers need flexibility to make decisions that affected their business units. The changes increase accountability for good decisions to our managers.

Thanks to those of you who have contributed to the work of the Transformation Management Team. You will be learning more about the effort in the coming months. For instance, there will be a section in the newsletter for updates on our transformation efforts.

I trust that you will continue to work together each day to achieve our goals, by respecting each others contributions and helping fulfill our role in *"connecting people and places in North Carolina"*.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lyndo Tippet', with a stylized flourish at the end.

Lyndo Tippet

December 2007

Secretary's Message

Once again, we have reached the end of the year and with that comes the holiday season, a time to celebrate and give thanks.

I would like to take the opportunity to thank each of you for the hard work you do throughout the year to improve transportation in North Carolina.

This agency has a great responsibility to serve the needs of everyone that relies on our airports, roads, rail, ferry, public transit and bicycle and pedestrian systems. Our work makes a tremendous difference in the daily lives of people across the state.

With your help, this year we have continued to improve the state's transportation infrastructure and worked to meet the growing needs of our citizens. We have also continued to carry out programs designed to educate and protect travelers and enhance the beauty of our state. We would not be able to provide a high level of service without your hard work and dedication to the department.

This year has also marked the beginning of our department-wide transformation. In November, we held a question and answer session at the Transportation Building in Raleigh. Employees had the opportunity to share questions and concerns with myself and other representatives from the transformation management team. Additional sessions will be held across the state in the coming year.

As part of our efforts, we have recently established core values to guide us in everyday decisions. These five values represent the behavior that is expected of all employees and the manner in which we will conduct our business.

These values are:

Safety: We strive for safety throughout our transportation networks as well as in our work and our daily lives;

Customer service: We respond to our customers, both internal and external, in an open, professional and timely manner;

Integrity: We earn and maintain trust by responsibly managing the state's assets, acting ethically and holding ourselves accountable for our actions;

Diversity: We draw strength from our differences and work together in a spirit of teamwork and mutual respect; and

Quality: We pursue excellence in delivering our projects, programs, services and initiatives in an environmentally sensitive manner.

Failure to adhere to these values affects how successful we are in meeting the needs of our customers. I ask you to keep these values in mind when going about your daily job duties.

Again, I want to thank each of you for all the work you do for the department.

Have a safe and happy holiday season. See you in 2008.

Lyndo Tippet

January 2008

NCDOT TRANSFORMATION UPDATE

By Roberto Canales, P.E.

As we enter the new year, I would like to share with you a brief recap of our transformation efforts:

McKinsey & Company was selected in April to facilitate NCDOT's transformation into a 21st century DOT. One month later, McKinsey completed a "diagnostic" that included an all-employee survey, stakeholder interviews and internal and external focus groups. From this diagnostic, McKinsey identified strengths and weaknesses within NCDOT as well as opportunities to improve.

Secretary Tippetts appointed a Transformation Management Team in June to begin the process. He asked 19 NCDOT employees to work full time on this project, with the task of designing and implementing transformation based on McKinsey's recommendations and guidance. The team worked with McKinsey staff daily for four months to learn about organizational change and best management practices for high-performing organizations from one of the leading management consultants in the world. McKinsey completed its work in October, however, the TMT will continue its work throughout this year. A leadership team and executive committee were appointed to oversee the work of the TMT and provide input into the process by speaking for the business units they represent, such as Fiscal, Traffic Engineering and Highway Division Six.

To date, the transformation effort has been focused on the following areas:

- **STRATEGIC DIRECTION:** We developed a strategic direction for the department by creating new mission and goals statements and identifying strategic leadership roles. We have begun an in-depth look at the efficiency and effectiveness of internal services, and the mission and products of all departmental business units. We also held a prioritization summit that generated a short list of recommended pilot priority projects and services for the department. In addition, the TMT identified alternative funding options for transportation and quantified the possible funds these options could generate.
- **PLANNING & PRIORITIZATION:** The TMT developed a new conceptual strategic planning and prioritization process for NCDOT and has begun engaging external partners in discussions to determine the feasibility of the new processes. We also began the hiring process for a director of the new Strategic Planning Office of Transportation.
- **PROGRAM AND PROJECT DELIVERY:** The TMT began to explore how we could streamline program and project delivery. We have recommended process improvements to deliver projects in the statewide Transportation Improvement Program more quickly and efficiently, improve the condition of North Carolina's bridges, and more strategically address mobility in our state.
- **PERFORMANCE ACCOUNTABILITY:** We began to instill performance accountability through a public "Performance Dashboard" that tracks departmental progress toward our goals. The dashboard is located on NCDOT's Web site at www.ncdot.org. We are now in the process of linking top managers' individual performance assessments to these same goals and developing a system of "metrics" or measurements for the top-level managers in the department. This will allow us to measure each business unit's contributions to meeting our mission and goals.
- **TALENT MANAGEMENT:** The term "talent management" refers to the way the department recruits, retains and develops our employees. Based on the results of the

diagnostic survey and many subsequent interviews with DOT managers and employees, the TMT has recommended and begun implementation of changes in these areas. We delivered some initial changes to our processes for travel approval, the professional engineer bonus, the "10 percent rule" and alternative work schedules. The team also created NCDOT Core Values, the standards to which all employees will be held accountable in their performance evaluations. Additionally, we have created a new employee performance management system, called a "Personal Dashboard and Appraisal," which will be rolled out to managers and employees later this year. An "Employee Engagement Survey" was created to track employee satisfaction and measure progress towards our goal of being "a great place to work." In 2008, you will learn about several other initiatives under way to improve how we treat our most valuable asset, our employees.

We are working to keep you informed of transformation efforts through payroll inserts, employee e-mails and this monthly employee newsletter. We have begun a series of Transformation Question and Answer sessions with Secretary Tippet and employees, which will continue to reach out to each part of the state in 2008. We have shared the transformation story with several external transportation stakeholder groups including Metropolitan Planning Organizations, contractors, consultants, the Joint Legislative Oversight Committee and the media.

The TMT portal page, located at <https://intranet.dot.state.nc.us/Portal/DesktopDefault.aspx?tabid=305>, contains a library of documents and memos that have gone out in the last six months regarding transformation.

If you have suggestions about how we can better communicate transformation information to you, please contact Kelly Damron at (919) 715-0951 or kdamron@dot.state.nc.us.

We are pleased with our progress to date and hope this helps explain where we are in our transformation effort. Transformation is about NCDOT employees working together to make the department better for our employees and the public. The TMT looks forward to working with all the business units across the department to fulfill our mission of connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity.

February 2008

TRANSFORMATION UPDATE

By Roberto Canales

The transformation effort continues as the N.C. Department of Transportation works to meet our five new goals. We have improved the old Performance Management system to make it more results-based. A new "PM," which is now called a "Performance Dashboard and Appraisal," or PDA, is being implemented as a pilot for about 40 managers in DOT. About another 80 managers will be implementing the new PDA on April 1. All employees will ultimately get a new PDA.

We also want employees to better understand the total value of their job at NCDOT. This Web site allows you to calculate the value of your salary and benefits together:
<https://ncosp.osp.state.nc.us:8080/CompensationCalc/ccalc.html>.

We recognize that our employees are the most important part of NCDOT. We know that making NCDOT a "Great Place to Work" will help to make it a "Place That Works Well" for our citizens as we work together to connect people and places in North Carolina.

March 2008

TRANSFORMATION UPDATE

By Roberto Canales, TMT Project Manager

A transformation update PowerPoint presentation is now available online through the Transformation Management Team portal page. To view the presentation, open the NCDOT portal and select "Groups," then "TMT." This presentation provides an overview of why and how NCDOT is transforming. If you would like a transformation team member to give this presentation to your group, please contact Aurea Hernandez at ahernandez@dot.state.nc.us or (919) 715-5663.

The Dashboard Goes Live

Check out the new interactive gauge on our goal to make the highways safer on the Executive Dashboard. This can be accessed from the Dashboard icon on the NCDOT Web site, www.ncdot.org. Click on the gauge to see supporting information and learn more about how our "safer" goal was set and calculated. We are working towards similar automated gauges for our other four goals.

What You Think — What You Want to Know

We are interested in your opinion so let us hear from you. Submit your questions and feedback using the "Contact Us" function found on the TMT Portal Page, or by calling 511 and saying the word "feedback."

April 2008

TRANSFORMATION UPDATE

By Roberto Canales, PE

In March's newsletter, I asked you to submit questions about NCDOT's Transformation Process via "Contact Us" on the TMT Portal page. This month I wanted to respond to a couple that are timely and wide in scope.

Questions:

"When is the Transformation going to happen? I see no evidence of it, and some people within DOT have not heard of it. Do managers have the power to implement any changes?"

Answer:

The work is happening now. Our approach is to implement ideas as we go, as opposed to waiting until we finish planning the process to implement it. Yes, managers have been given the power to implement changes.

The transformation initiatives make improvements to the fundamental way NCDOT operates. Often initiatives are strategy based instead of action based, and are not as obvious to employees.

Some examples of transformation efforts under way include:

- Creating a new "Strategic Planning" process to select the projects and services that best help us meet our goals;
- Creating a "Talent Management" culture to develop, not just manage, our employees; and
- Creating a performance-based organization where expectations are clear and groups are held accountable.

These changes will not have a major impact until we institutionalize them and train managers to implement them. Currently we are working with 150 managers in the department and training them to incorporate these initiatives into their unit's operations.

With 14,000 people employed by NCDOT, it will take a while for everyone to become familiar with the transformation concept. If employees understand their performance expectations from their supervisors and supervisors understand how their units contribute to the overall mission and goals of the department, then the change is happening.

May 2008

HELP SPREAD THE GOOD WORD ABOUT NCDOT

Transformation Update

By Roberto Canales

As a department, we want to continue to recruit employees that can contribute to the professional culture we have at NCDOT.

The department values its employees and your contributions to making North Carolina a national leader in highway, transit and motor vehicle services. With organizational transformation efforts currently under way that will not only strengthen our service to citizens but also enhance the workplace for our employees, it is an exciting time to be associated with the department.

The Transformation Management Team is looking for assistance in recruiting future NCDOT employees and needs your help. Participants will be asked to write a few paragraphs about why they work at NCDOT and the aspects of their job that they particularly like. Their words and photos will be featured on the new "Careers" section on the NCDOT Web site.

If you would like to volunteer, please click [here](#) or visit <https://apps.dot.state.nc.us/ContactUS/PostComment.aspx?Unit=Testimony>.

June 2008

TRANSFORMATION UPDATE

From Roberto Canales, Deputy Secretary for Transit

Last year the N.C. Department of Transportation surveyed all employees and other key stakeholders. Following the survey, many of you participated in numerous focus groups and one-on-one interviews held with NCDOT employees across the state. The survey and interviews indicated the need for a new performance management culture.

Developing such a new culture became one of the key initiatives of the transformation, and on April 1 a new, results-based performance management system was implemented for 150 leadership positions in NCDOT. A results-based system supports a performance culture in which clear expectations are established, and employees are held accountable for achieving the expected results.

These 150 managers began the performance cycle with a new Performance Dashboard and Appraisal, which is the form used to document performance expectations and results achieved. In this new process, the primary emphasis is on results achieved. Each manager's PDA includes results expectations, called "performance metrics," which are directly linked to the department's mission and goals. The new process also emphasizes employee development. The PDA includes leadership competencies, which are the skills NCDOT expects managers to have to be effective leaders.

NCDOT is transitioning to a performance culture in which we must begin measuring our performance and holding ourselves accountable for our results. This change must start with leadership, and that is why we have implemented this new performance management process with our key leadership positions first. On April 1, 2009, this new process will be implemented for all NCDOT employees.

This October, all NCDOT employees will be introduced to the new PDA process by participating in a six-month PDA transition program. Over the next several months, NCDOT managers and supervisors will be asked to attend training on the new results-based performance management system. As managers and supervisors receive this training, they will begin talking about the new process with their employees. Please feel free to share any questions or concerns with me or with the Transformation Management Team through the "Contact Us" link on the TMT portal page.

July 2008

Transformation Update

By Roberto Canales, Deputy Secretary for Transit

A new results-based performance management system, known as the Performance Dashboard & Appraisal, or PDA, is being implemented for NCDOT employees. Below are some frequently asked questions about the new system.

Why change to a new rating system?

Managers and supervisors have struggled with the current five-level rating system for years. At evaluation time, it is very difficult for managers to determine the true level of an employee's performance. One factor is that clear expectations were not set in the beginning of the work cycle. In other words, key responsibilities were listed on the PM, but expected outcomes were not clearly defined.

Secondly, narrowly defining the difference between the five levels for each key responsibility is a difficult and intensive process. Historically, there has been no measureable difference between good, very good and outstanding, leading to a high level of subjectivity in expectations and ratings. As a result, supervisors may give inflated ratings to encourage employees to continue working hard.

With the new performance management system, every employee will have an individual Performance Dashboard & Appraisal, or PDA, that includes "performance metrics." A performance metric is not the activity to be performed, but rather it is the measurement of the actual results, or outcomes of the activity. Each metric will have a measure, a target and a weight. The measure is the "yardstick" or the "what" being measured. The target is the expected outcome, usually expressed as a range. The weight is the relative importance of the metric, expressed as a percent.

Here's an example comparing the old PM and new PDA:

Old PM:

Key Responsibility	Expected Results
Deliver construction program	Perform program duties in efficient, timely manner

New PDA:

Measure	Target	Weight
Percent construction projects delivered on time	75 - 85%	25%

In the above example, the employee is expected to deliver 75-85 percent of construction projects on time in order to meet expectations. If at the end of the performance cycle, the actual result achieved is greater than 85 percent, the employee exceeded expectations; if the actual result achieved is less than 75 percent, the employee did not meet expectations defined in the PDA. When your supervisor establishes your metrics, he/she must ensure that the target for each measure is reasonably achievable. The target should reflect the results that are expected of you in your role.

How will I be rated on my performance under the new system?

The new PDA is based on a three-level rating scale instead of the current five-level rating scale.

The current performance management system uses a five-level rating scale:

O = outstanding;
VG = very good;
G = good;
BG = below good; and
U = unsatisfactory

The new performance management system uses a three-level rating scale:

EE = exceeds expectations;
ME = meets expectations; and
DNME = does not meet expectations.

If at the end of the performance cycle the target for a particular measure has been met, the employee "meets expectations" in that area. If the target is surpassed, the employee "exceeds expectations," and likewise, if a target is not met the employee "does not meet expectations."

What does a "meets expectations" really mean?

If you receive a "meets expectations" on your performance evaluation, then **you are performing your job effectively**. You are successfully delivering or achieving the outcomes expected of you in your position, and you are performing your duties in a manner that adheres to the department's core values (safety, integrity, customer service, diversity and quality). In addition, if you receive a "meets expectations" on your performance evaluation you are eligible for an annual cost of living increase if provided by the General Assembly. You are also eligible for a career growth increase if provided by the General Assembly.

When will the new PDA take effect?

NCDOT's leadership positions began using the new system on April 1. All employees will begin the new performance cycle using the new PDA on April 1, 2009.

We hope this helps you begin to understand the new rating scale associated with the new PDA. Rather than looking at the PDA as just a new performance management tool, please take a minute to think about the new culture that it represents, one in which we are evaluated on and recognized for our individual contributions to the department's overall mission and goals.

Q&A With Kelly Damron: Transforming a DOT

Information Technology Systems Engineer and TMT member Kelly Damron was recently featured in the June/July 2008 issue of the U.S. Department of Transportation's "Innovator." The following is Kelly's interview.

Kelly Damron, ITS operations engineer for the North Carolina Department of Transportation, is a member of the agency's Transformation Management Team and manages its outreach effort. A former Federal Highway Administration engineer, she has worked with state DOTs around the country. Damron spoke with Innovator about the team's initiative to help the North Carolina DOT transform the way it does business.

Why did you decide to launch a Transformation process?

We use the term "perfect storm." Our demand is increasing significantly, with the state's vehicle miles traveled expected to double by 2030. Our cost of business is rising, with an 80 percent increase in construction costs since 2002. And the funds available for transportation are decreasing as our state gas tax revenues decline. With all of these challenges facing us, there was no way we could continue to do business as usual.

What's the goal of the process?

Our goal is to look ahead at the 21st century transportation needs of the state and be sure that we are a department that can deliver on those needs. Our secondary goal is to leverage the great DOT that we are by ensuring we're focused on the right things.

We are a very good DOT. I've worked with six others, so I can say that. But we have some things to fix. As individual employees, we're doing what we think is best, but we have to make sure we're all working on the right things in the right way.

What steps are involved?

We began in spring 2007 with McKinsey & Company surveying our employees and partners to determine strengths, weaknesses and opportunities to improve.

In summer 2007, 20 DOT employees were assigned full time to the Transformation Team to design and implement the process. Two of our 14 division engineers are on the project, as well as a deputy division engineer, the head of one of our preconstruction units, the director of accounting-some high-level people. Roberto Canales, our deputy secretary for transit, is guiding us as project manager.

Some key DOT leaders conceived this effort, and we spend five hours each week working with them, which is a significant commitment of their time. We vet with them what the Transformation Team has been working on and get their guidance and approval before we go forth with implementation.

Our key emphasis areas are strategic direction, planning and prioritization, program and project efficiencies, performance accountability and talent management. Most of the design is complete and we're now beginning implementation and integration, especially transferring ownership of new practices to others in the DOT to sustain.

The Transformation Team is scheduled to roll off in fall 2008. But we've created an ongoing strategic planning process so we can take a look at ourselves periodically and ask "Have our goals changed? What should transportation look like in North Carolina?"

What are you focusing on to make the process a success?

We're focused on results-not just outputs but outcomes. Getting people to think this way is a culture change for us. We began by creating a mission and five goals that drive our day-to-day business. Our mission is to "connect people and places in North Carolina-safely and efficiently, with accountability and environmental sensitivity."

Our goals are to make our network safer, make our network move people and goods more efficiently, make our infrastructure last longer, be a place that works well and be a great place to work. We designed our goals to be simple, concise and clear to all of our 14,000 employees.

From there we've created metrics, our term for performance measures, for 150 leaders that state our expectations for them and quantify how the group they manage should contribute to these goals. The beauty of this is that almost all of our key metrics are shared between many of our top 150.

How will the agency be different after its transformation?

Prioritization and accountability are big parts of Transformation. We are now able to focus better on what is important by knowing what we are held accountable for. Just having the conversations to determine our metrics was a wonderful exercise.

Employee development is also key to our success. The survey told us we were not adequately recruiting, retaining or developing our staff. We've made many significant improvements in areas such as hiring, career planning, leadership development, performance management, compensation, alternative work schedules, etc.

One of the best things we did was acknowledge that these things are important to us. It's not just about asphalt, concrete and traffic cameras. It's about devoting resources to developing our employees so they have the skills and abilities to do the work of the department.

What advice would you offer colleagues in other states considering a similar effort?

Do your best to get your employees on board as early and thoroughly as you can. From midlevel managers to frontline employees, it's easy to be resistant to what you don't understand. Doing this is harder than it sounds, but when you do it well you truly see the value of having buy-in from the folks who are affected.

Pick people who are thought leaders in their areas to be part of the team. They have earned the respect of their peers and have credibility going in. Make this a full-time job for folks. It's too hard and too important to put this kind of thing into the mix of an already-full plate.

Think about how you will institutionalize it once you have transformed. Lots of people have seen attempts at meaningful change come and go. You have to think through not only how you will change, but also how you will ensure that these changes will stick. Our metrics are key to this, but we've even talked about a "Transformation Team Alumni Club" as an accountability partner for our organization, a way that we can check back in every so often and say, "Hey, whatever happened to our plan to . . ."

For more information on the North Carolina DOT's Transformation, visit www.ncdot.org/programs/dashboard.

August 2008

Strategic Planning Office of Transportation

By Don Voelker

The Strategic Planning Office of Transportation was created in January to manage the strategic planning and prioritization process for NCDOT. The process started with NCDOT's new mission and goals. The framework of the strategic planning process outlines a plan that evaluates projects, programs, services and initiatives across NCDOT.

Our office will ask business units to articulate and rank their needs. Once we collect these needs, the process of evaluating and developing scenarios of projects, programs, services and initiatives will begin. The scenario selected by top management will become the priorities of the department and will be used to develop not only our State Transportation Improvement Program, but will also help NCDOT prepare its budget for presentation to the governor and the legislature. The expectation is that the department's priorities will become known to our citizens and employees, so we can focus our commitments through to completion.

The planning office comes at a critical time for the department due to external factors that are impacting DOT's across the country. High fuel costs, double-digit construction inflation, aging infrastructure and increased public demand for more transportation options along with relatively flat revenue require DOT's to be as efficient and strategic with their dollars as possible. SPOT will help NCDOT maximize its network resources and point to investment priorities critical to improving the transportation system and travel conditions for North Carolina's citizens and visitors to our state.

In an effort to lay the groundwork, the office is undertaking some early "workstreams." With the assistance of the Traffic Engineering and Safety Systems Branch, the Pavement Management Unit and the GIS Unit, SPOT is developing a set of maps showing how the Strategic Highway Corridors network is performing in relation to crash rates for our "Safer" goal, congestion for our "Efficiently" goal and pavement conditions for our "Last Longer" goal, as well as the location of our STIP delivery projects. The GIS layered maps outlining the three goals of our performance should be available in the next month.

A second workstream will evaluate which department programs appear to have the most effect on "moving the needles on the dashboard gauges" and determine how much farther the needles could move if additional funds became available for those programs. The second workstream reviewing the investment of our programs is also expected to be completed in the next month. The complete prioritization process will take a few months and has a target completion date of late November.

SPOT can not be successful without the assistance of others. It will take a multi-modal, cross-functional approach to develop mechanisms to evaluate projects, programs, services and initiatives across the entire department.

Besides myself, SPOT has two other employees, Alpesh Patel and David Wasserman. I was appointed in January 2008 and serve as director. My background includes previous work with the Federal Highway Administration, serving the last 15 years in the North Carolina Division as assistant division administrator. Patel and Wasserman joined SPOT on July 1. Patel has worked in the Transportation Planning Branch for 13 years and previously held the position of Metrolina Planning Group supervisor. Wasserman worked in the Transportation Planning Branch for eight years and most recently held the position of transportation engineer III in the Systems Planning Group. They both had key roles in the Statewide Long-Range Multi-Modal Plan and Strategic Highway Corridor Initiative.

We are located on the second floor of the Transportation Building in Raleigh, sharing space with the rest of the Transformation Management Team. For more information on SPOT, or to arrange a time for a staff member to share the office's activities and future work efforts with you or your staff, please call (919) 733-7932, Ext. 346.



September 2008

Secretary's Message

The N.C. Department of Transportation is in the process of changing how it does business. Over the years our internal structure has remained much the same, and we have not been keeping up with organizations in the public and private sector that focus on efficiency and strategy to achieve operational excellence. By restructuring, NCDOT will be more focused on outcomes-based performance metrics and ultimately, better able to provide an effective transportation infrastructure. The changes will also put the department in a better position to achieve its goal of making NCDOT a great place to work for its 14,000 employees.

The restructuring plan involves moving or reallocating existing positions, rather than creating new ones. A key component of this plan is aligning NCDOT business units along strategic functional lines and transitioning to a comprehensive multi-modal approach to delivering transportation projects. A strategically aligned organization will improve the way transportation services are delivered, as well as address organizational structure challenges identified by the private consultant we hired. To view an organizational chart showing the new alignment, visit www.ncdot.org and click on "NCDOT Realignment."

We have already begun to develop and implement new strategies designed to take NCDOT solidly into the 21st century. In addition to establishing the Strategic Planning Office of Transportation, we have developed a prioritization framework and launched a comprehensive talent management strategy that includes a new performance management system unlike any other in North Carolina state government. We are also in the process of making our organizational performance visible through a new executive dashboard reporting system. The dashboard can be found at www.ncdot.org/programs/dashboard.

Business unit managers are already making the changes necessary to implement the new structure. Our plan is to have the entire organization operating under this functional approach by the end of September. Employees who have served on the Transformation Management Team will assist with this realignment and will begin to transition back to their permanent duty stations in the next few weeks. The TMT is currently compiling a final report that catalogs the findings, recommendations and status of this work. The report is to be completed by Sept. 30.

I encourage all employees to pull together to make this a smooth and successful transition. Managers will meet with staff over the next several weeks to address any questions they might have. By working together, we can make NCDOT a better place to work, while continuing to be a leader among state transportation agencies.

Thank you for your participation over the past 18 months as the department has undertaken this internal review and for all your efforts as we move forward improving the way we *'Connect people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity.'*

Sincerely,



Lyndo Tippet

September 2008

ORGANIZATIONAL REALIGNMENT Q&A

Q: Where did the department's realignment come from? Who was involved in making these changes?

A: Last year, NCDOT embarked on an effort to improve the agency through a "transformation." One of the first steps was an all-employee survey that provided the basis of the changes you are seeing implemented today. NCDOT hired a consulting firm to create the survey and set up the structure for reviewing the department. In addition, it helped create and train a team of our employees to look at NCDOT's organizational structure and research ways for improvement. This team was called the Transformation Management Team. Over the past year, you have received updates about the TMT's progress from Secretary Lyndo Tippet and Deputy Secretary Roberto Canales. These updates are posted on the TMT Portal Page.

Q: Who was on the TMT? How did the TMT's work lead to realignment?

A: The TMT was made up of a core group of 19 NCDOT employees from across the department. In addition to the core group, more than 100 other employees were involved in research and committee work in areas and issues spanning the department. The TMT took its work to top leadership who approved moving forward with implementing its recommendations. Many of those recommended improvements were the basis for the realignment.

Q: The date to implement the realignment is Sept. 2. Where are we in the process?

A: The realignment, like each step of the TMT process, is a group effort. Chief Operating Officer Dan DeVane is leading the process with help from the newly established Organizational Governance Office. In addition, members of the TMT are working with the appropriate business units to make the process as smooth as possible.

We have begun to function in this new structure, but we know that many logistical details still have to be finalized. We appreciate the hard work of Human Resources, Information Technology, Facilities, Fiscal, Security and many other units that have to do much of the leg work to make the logistics of this realignment happen.

Q: How are the assignments being made for the positions created by the new organizational chart?

A: The Secretary's office is evaluating the new functions, looking at our existing staff and working to find the best fit. Some employees will be re-assigned to fill the new positions, and some positions will be advertised. Assignments will be announced as they are finalized.

Q: When will the TMT members return to their old jobs?

A: By the end of September, the TMT effort will no longer be a full time staff assignment. Currently, members are transitioning back to their permanent assignments. Some TMT members will be taking on new roles using the experience they gained to help promote the organizational improvement within the department.

Q: How can I be involved in future efforts?

A: The culture we are trying to implement in NCDOT is one of calling on talent from within to help us continuously improve. The new Quality Enhancement Division will carry on the work to mainstream a continuous process improvement culture in NCDOT. This new division will be looking to our own staff to provide creative approaches and technical know-how to improve the department. Employees are encouraged to participate in this process as we move forward. The best way to ready yourself for future opportunities is to do your best each day, keep growing personally and professionally, and be open to new and different experiences as they come your way.

This is an exciting time for the department and your enthusiasm and commitment are vital to NCDOT's success.

Transformation Project Update for Board of Transportation Members



September 25, 2007

TMT Update for Board of Transportation Members

Agenda

- Transformation Update
 - Transformation background, objectives and initiatives
 - Accomplishments to date
 - Opportunities for success in next 12 months
- Prioritization discussion

Transformation Objective: Building a 21st Century DOT

	20 th Century DOT	21 st Century DOT
Culture	<ul style="list-style-type: none"> • Infrastructure developer (construct and maintain) 	<ul style="list-style-type: none"> • Service provider (construct/ maintain/operate)
Accountability	<ul style="list-style-type: none"> • Limited accountability for performance 	<ul style="list-style-type: none"> • Clear ownership and visibility • Performance metrics • Project management
Measures of Effectiveness	<ul style="list-style-type: none"> • Focused on output: on-time/on-budget 	<ul style="list-style-type: none"> • Focused on performance management
Investment Focus	<ul style="list-style-type: none"> • Expansion with jurisdictional prioritization of secondary road system and loops 	<ul style="list-style-type: none"> • Strategic Highway Corridors and Managed Maintenance
Planning & Programming	<ul style="list-style-type: none"> • Project-oriented: focus on individual road capacity and preservation 	<ul style="list-style-type: none"> • Prioritized Systems: focus on critical logistic needs and operations
Infrastructure & Maintenance	<ul style="list-style-type: none"> • Deferred investment • Inconsistent maintenance standards • Aging infrastructure 	<ul style="list-style-type: none"> • Pavement and bridge condition standards • Managed Maintenance program • Expanded Asset Service Life
Operating Performance	<ul style="list-style-type: none"> • Relationship of delay and safety to operations not clear 	<ul style="list-style-type: none"> • Mobility standards • Systems operations management
Funding	<ul style="list-style-type: none"> • Stagnating revenue base • Unclear relationship to outcomes 	<ul style="list-style-type: none"> • Outcomes-based funding with clear performance measures
Economic Focus	<ul style="list-style-type: none"> • Jurisdictional • Limited linkage to the statewide economic plan 	<ul style="list-style-type: none"> • Relationship of infrastructure to state's economic prosperity a cornerstone of new logistics plan
Agency Role with Partners	<ul style="list-style-type: none"> • Jurisdictional focus 	<ul style="list-style-type: none"> • Regional system cooperation

NCDOT Has Launched a Comprehensive Performance Transformation

Transformation background

- **Decided a fundamental transformation was needed in response to challenging external environment**—growing system demand, increasing cost of construction, and constrained federal funding
- **Determined need for best-in-class outside expertise** in organizational transformation and management capability building
- **Committed management time and aligned stakeholders** to ensure success of transformation

Transformation capacity building

- **Identified opportunities for organizational improvement** through proprietary employee survey, focus groups and other diagnostic tools
- **Identified and designed a series of transformation initiatives** in line with external stakeholder needs and organizational improvement opportunities
- **Formed a Transformation Management Team**, trained team members with proprietary organizational improvement tools
- **Engaged NCDOT executive leadership and ~30 senior managers** in intensive capacity building workshops and best practice presentations

Outcomes Expected from Transformation: Improve Transportation Infrastructure and Operations

From...

Category & Tier	Current Condition	Current LOS
Bridges		
Overall	• 31% deficient	D
Statewide (14%)	• 23% deficient	C
Regional (8%)	• 30% deficient	F
Subregional (78%)	• 33% deficient	C
Pavements		
Overall	• 66% Good/13% Poor	D
Statewide (11%)	• 71% Good/13% Poor	D
Regional (14%)	• 65% Good/16% Poor	D
Subregional (75%)	• 68% Good/13% Poor	D
Signals		
Overall	• Poor traffic progression	C
Statewide	• Poor traffic progression	C
Regional	• Poor traffic progression	C
Subregional	• Poor traffic progression	C
Network Condition		
Overall	• 79 Infrastructure Rating	D
Statewide	• 80 Infrastructure Rating	C
Regional	• 79 Infrastructure Rating	D
Subregional	• 79 Infrastructure Rating	D
System Operations		
Overall	• Closures <4hrs; info <2 hrs	D
Statewide	• Closures <4hrs; info <2 hrs	D
Regional	• Closures <4hrs; info <2 hrs	D
Subregional	• N/A	N/A

A Plan to Improve NC Infrastructure

- A statewide logistics plan
- A transformed DOT
 - Clear strategic direction
 - Project and program prioritization
 - Efficient execution
 - Accountability for performance
- Adequate and sustained funding

To...

Target condition	Target LOS
Bridges	
• 22-23% deficient	B
• 20% deficient*	B
• 23% deficient*	B
• 33% deficient*	C
Pavements	
• 80% Good/7% Poor	B
• 85% Good/5% Poor	B
• 80% Good/7% Poor	C
• 75% Good/10% Poor	C
Signals	
• Good traffic progression	A
• Good traffic progression	A
• Good traffic progression	A
• Good traffic progression	A
Network Condition	
• 87 Infrastructure Rating	B
• 87 Infrastructure Rating	B
• 85 Infrastructure Rating	C
• 83 Infrastructure Rating	C
System Operations	
• Closures <1hrs; info <20 min	A
• Closures <30 min; info <15 min	A
• Closures <90 min; info <30 min	A
• N/A	N/A

* Same as national standard

Transformation Is Composed of Five Key Initiatives

Alignment of strategic direction with new mission and goals

- Define common vision and goals for the NCDOT
- Determine the appropriate scope of activities for NCDOT
- Identify potential opportunities for new sources of funds
- Evaluate possible organizational changes to reach strategic goals

Streamlining of project delivery

- Value engineering
- Piloting of innovative delivery models for near-term STIP projects

Increased efficiency and effectiveness

- Design and roll out strategic planning and prioritization process
- Bottom-up zero-based budgeting assessment

Increased accountability and visibility for performance

- Executive dashboard that is aligned with mission and goals
- Cascading performance metrics throughout the organization that support the vision and goals

Improved talent management

- Design a rigorous performance review process tied to performance metrics
- Design a process for succession and mobility planning
- Make high level recommendations on talent value proposition, development/training

Accomplishments To Date

Initiative	Major Deliverable	Status
Alignment of strategic direction with new mission and goals	① New Mission and Goals	• Complete 7/10
	② High Level Strategic Planning Process	• Complete 7/24
	③ Prioritization Summit	• Complete 9/10
	④ Alternative Funding Recommendations	• Complete 8/16
Streamlining of project delivery	⑤ Short List of Pilot Projects and Programs	• Complete 9/14
	⑥ Alt Delivery Models Identified	• Complete 9/15
Increased efficiency and effectiveness	⑦ Organization efficiency opportunities identified – Experiencing early successes	• In progress
Increased accountability and visibility for performance	⑧ Performance Dashboard metrics developed	• Complete 7/17
	⑨ DOT-Wide Performance Metric Development	• In progress
Improved talent management	⑩ “HR Innovations” Collaboration with Office of State Personnel	• In progress
	⑪ New performance management system	• Complete 9/18

Opportunities for Success in the Next 12 Months

Initiative:	Upcoming Milestones:	Timing:
Alignment of strategic direction with new mission and goals	<ol style="list-style-type: none"> 1 Launch Strategic Planning Office to provide alignment of strategic direction with mission and goals 2 Design prioritization approach and get key NCDOT stakeholder feedback 3 Statewide logistics plan to be launched with \$1 million contribution from NCDOT 	<ul style="list-style-type: none"> • Jan '08 • Nov '08 • April '08
Streamlining of project delivery	<ol style="list-style-type: none"> 4 Streamlined project / program delivery pilots <ul style="list-style-type: none"> – Bridge program – TIP projects 	<ul style="list-style-type: none"> • Oct '08
Increased efficiency and effectiveness	<ol style="list-style-type: none"> 5 Recommendations for re-aligning organization to increase effectiveness in conjunction with mission and goals 6 Analysis of potential inefficiencies and cost savings opportunities <ul style="list-style-type: none"> – Bottom-up assessment of all DOT-funded budgets 	<ul style="list-style-type: none"> • Dec '08 • Mar '08
Increased accountability and visibility for performance	<ol style="list-style-type: none"> 7 Translate Executive Dashboard into Department-wide metrics and targets 8 Performance metrics incorporated into new employee PM system 	<ul style="list-style-type: none"> • Oct '08 • Oct '08
Improved talent management	<ol style="list-style-type: none"> 9 New leadership development system to recruit, develop and retain best talent 10 New leadership and mobility planning approach 11 Mid-level managers trained on the New Culture of NCDOT 	<ul style="list-style-type: none"> • Jul '08 • Jul '08 • Dec '07

TMT Update for Board of Transportation Members

Agenda

- Transformation Update
 - Transformation background, objectives and initiatives
 - Accomplishments to date
 - Opportunities for success in next 12 months
- Prioritization discussion

From Strategic Direction to Prioritization

Build on priorities agreed to by Board...



Charting a New Direction for NCDOT
North Carolina's
Long-Range Statewide Multimodal Transportation Plan



Emphasize greater investment in the state's most-used corridors. E.g., 45 percent of VMTs on Strategic Highway Corridors

... to create systematic prioritization process

Approach:

- Create system for objective, data-driven prioritization as well as judgment-based input from Board members, MPOs, RPOs, and other stakeholders
- Create annual/bi-annual process to collect stakeholder input on project priorities
- Process ad hoc stakeholder input in a systematic manner

Next steps:

- Build out details of prioritization process
- Gain MPO/RPO alignment on detailed process beginning with October MPO conference

Prioritization's critical role in transformation outcomes

From...

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 - **Project and program prioritization**
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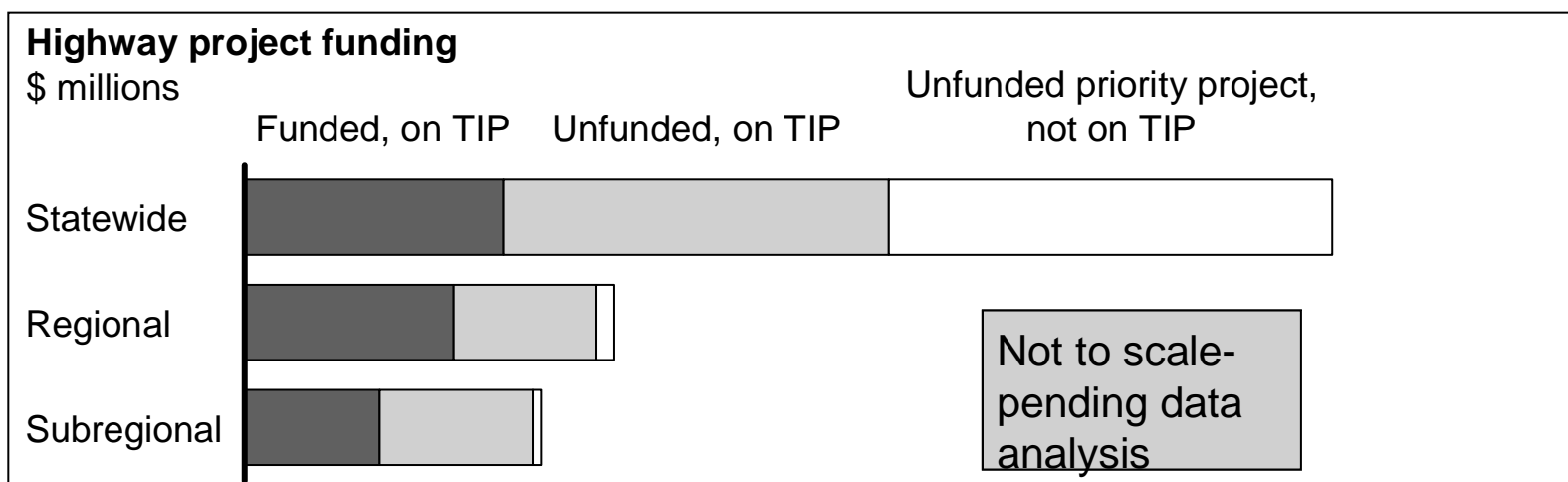
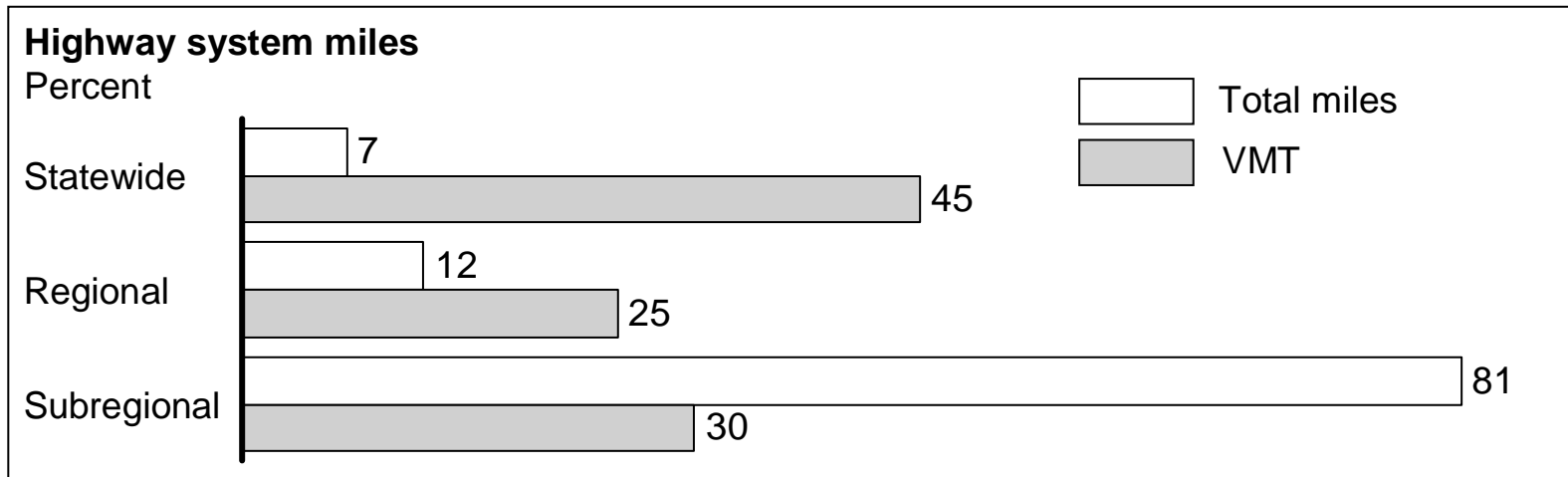
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• N/A	N/A

* Same as national standard

The need for prioritization (1 of 2)

Strategic issues- Strategic Highway Corridors carry largest proportion of VMTs in state but face largest funding gap



The need for prioritization (2 of 2)

Organizational issues- Ad hoc prioritization causes project delays and confusion among employees and stakeholders

- **Lack of prioritization may be biggest contributor to project delays and employee confusion**
 - Only 30% of employees agree/strongly agree that “NCDOT’s strategy provides clear direction for its employees.”
 - Only 36% of employees believe “employees’ day-to-day behavior is guided by NCDOT’s strategy.”
 - *“Clear prioritization could cut 3 years off the big projects.”*
 - Preconstruction manager
 - *“I arrive every day to emails pressuring me to do work on something different from yesterday.”*
 - Preconstruction supervisor

- **Ad hoc pressures from multiple stakeholders as well as unclear stakeholder roles further confuse project prioritization**
 - *“We never know what NCDOT’s current priorities are, so it’s hard for us to know where we stand”*
 - MPO Representative
 - *“Regulatory agencies like DNR could process permits a lot faster if they had a clear picture of which ones were most important to us.”*
 - Preconstruction manager

Prioritization at other state DOTs

EXAMPLES

State Dept. of Transportation

Approach

Missouri



1. Laid out a vision (long range transportation plan) and a framework for a prioritization process that emphasized transparency, predictability and accountability
2. Divided needs into statewide and local, using the state goals and regional input for the state-wide needs; gave flexibility to local areas for their own prioritization
3. Created a points-based system for scoring and prioritizing projects
4. Provided specific checkpoints for involvement by external stakeholders
5. Positioned the changes to the process as increasing the public's opportunity to shape Missouri's transportation policy, and emphasized the ability for MPOs/RPOs and all citizens to engage in the long-range planning process for the state
6. Targeted communications for different groups--brochure for general public, guidebook for internal and external groups involved in the process, and memo for state & local officials

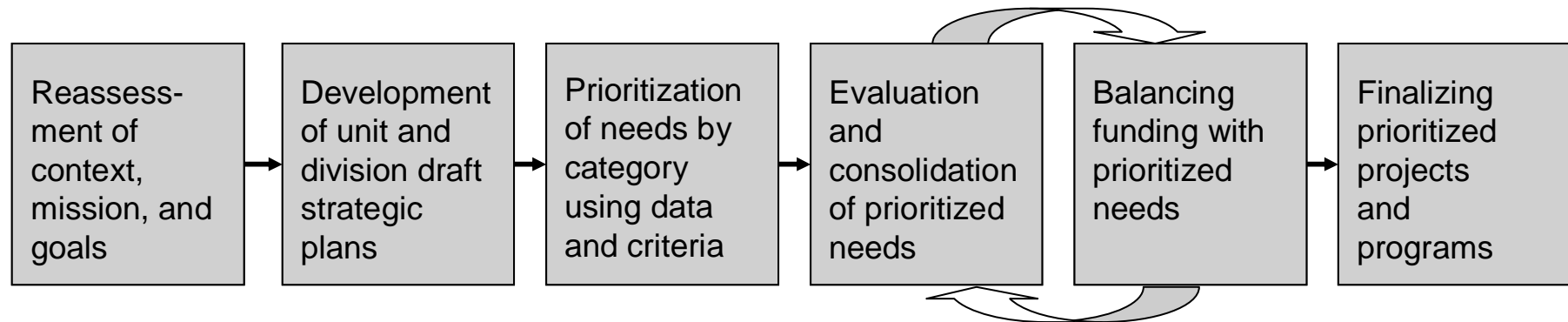
Virginia



1. Established a Multimodal Office to coordinate prioritization
2. In process of creating framework/system for prioritizing projects on statewide MIN (Multimodal Investment Network)
3. In process of communicating prioritization benefits to stakeholders

Recommended prioritization process and its implications

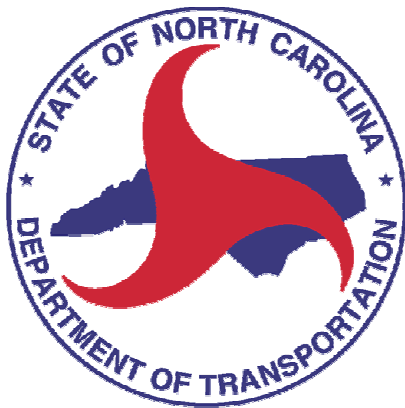
High-level summary of prioritization process



Implications for Board members and other stakeholders

- **Introducing** criteria to allow Board members and other stakeholders to make informed, data-driven decisions and recommendations
- **Enabling** Board members to communicate decision making process to stakeholders
- **Instilling** a cultural change among all North Carolina stakeholders to statewide vision of projects
- **Leaving the legacy** of an institutionalized decision-making process

NCDOT Transformation Accomplishments Since December BOT Meeting



Roberto Canales, PE

January 9, 2008

Accomplishments Since December Board Meeting

Transformation Management Team

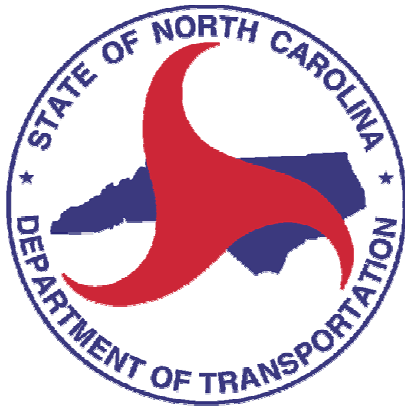
Accomplishments

- ✓ Streamlined Project and Programs (Bridge & TIP) Delivery Models Approved & Implementation Underway
- ✓ “Bottoms-Up” Org. Assessment Responses Received & Assessment Underway
- ✓ Hired a Strategic Planning Director
- ✓ Trained Departmental Leaders on new Action Planning Process
- ✓ Initiated Strategic Planning Discussions with Key MPO Leaders
- ✓ Implemented Performance Based Management Targets
- ✓ Developed Initial Gauge (Safety) for the Improved Executive Dashboard
- ✓ Trained Departmental Leaders on New Performance Management System
- ✓ Environmental Dashboard Reporting Analysis Underway
- ✓ Female Mentorship Program Initiated
- ✓ Engineering Associates Mentorship Program Initiated

Key Deliverables - Next 12 Months

- Complete a Comprehensive Organizational Assessment of All Business Units
 - Implement Efficiency Recommendations
- Monitor Implementation of Project Delivery Models
- Complete Strategic Planning Discussions with Key Stakeholders & MPO Leaders
- Continue Training and Implementation of New Performance Management System for All NCDOT Employees
- Complete an Employee “Value Proposition” That Can Be Used to Recruit Top Talent
- Develop Career Planning System for All Employees (Technical, Functional, Managerial)
- Complete a Robust Executive Dashboard That Will Show Progress Towards Accomplishing Performance Outcomes

NCDOT Transformation Update Board of Transportation



Mark Tyler

February 6, 2008

Five Key Transformation Initiatives

Strategic Direction

- ✓ Define common **Mission** and **Goals** for the NCDOT
- Determine the appropriate **scope of activities** for NCDOT
- ✓ Identify potential opportunities for new sources of **funds**
- Evaluate possible **organizational changes** to reach strategic goals

Planning and Prioritization

- ✓ Establish a **Strategic Planning Office**
- Develop **strategic plan** that aligns with Mission and Goals
- ✓ Establish a new **prioritization approach** based on strategic priorities

Program and Project Delivery

- Develop and implement enhanced **program and project delivery** models and processes

Performance and Accountability

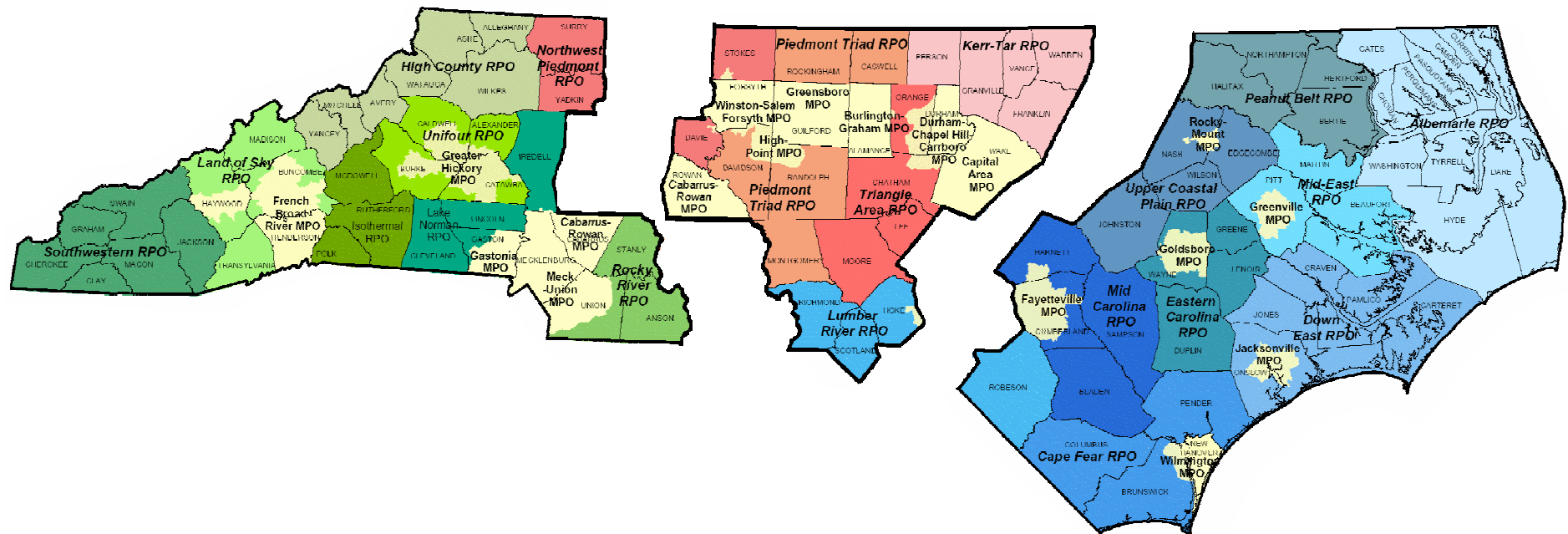
- Implement a public facing **Executive Dashboard** that is aligned with the mission and goals
- ✓ Introduction of a **performance based culture** that cascades performance metrics throughout the organization

Improved Human Resource Management

- ✓ Design a **rigorous performance review** process tied to performance metrics
- ✓ Design a process for **leadership planning**
- ✓ Make high level recommendations on **employee recruitment, development and retention**

New Process - Regional Teams

Region	Western	Central	Eastern
Division	10,11,12,13,14	5,7,8,9	1,2,3,4,6
STIP Staff	Van Argabright	Mike Stanley	Ray McIntyre
PDEA Staff	Teresa Hart	Eric Midkiff	Rob Hanson
Roadway Staff	Scott Blevins	Ron Allen	Dewayne Sykes



Key Focus Areas

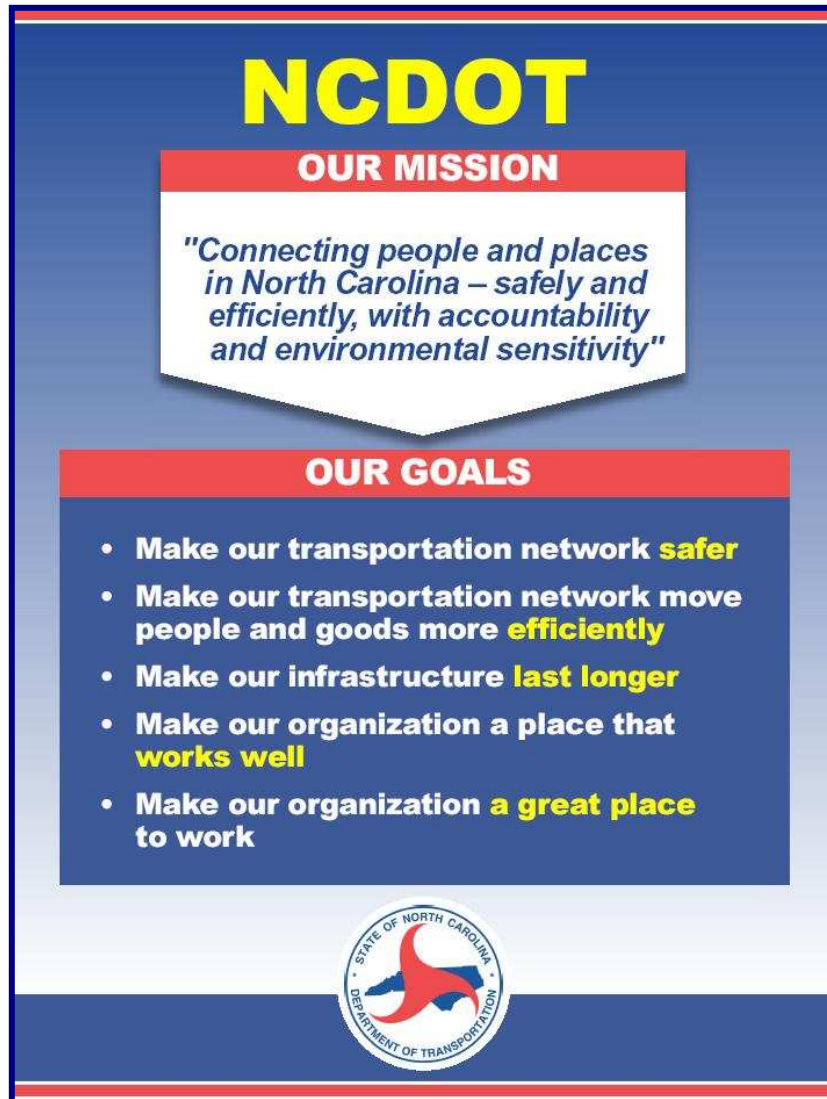
Key Deliverables

- ✓ **Streamlined Project and Programs (Bridge)**
 - Bridge Management Program
 - Regional Team Approach
 - Tier Specific Design Standards
- ✓ **Streamlined Project and Programs (TIP)**
 - Regional Team Approach
 - Pilot Delivery Models & Projects Identified
- ✓ **“Bottoms-Up” Organization Assessment**
 - Responses Received & Initial Assessment Complete
- ✓ **Performance & Accountability**
 - Performance Management System
 - Performance Metrics
- ✓ **TMT Communications**
 - Question and Answer Sessions with Secretary Tippet
 - Key Stakeholder Outreach Meeting

Goals

- ✓ Reduce time to deliver bridges on sub-regional tier by 2 years
- ✓ Demonstrate ability to deliver projects efficiently particularly when clear priorities are set
- ✓ Organizational Alignment Recommendations
- ✓ Top 120 Leadership positions using new PM system by April 2008 (includes metrics that align with Departmental goals)
- ✓ Reinforce the change culture being implemented
- Ensure stakeholder involvement in change

It all comes back to...




NCDOT

OUR MISSION

"Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity"

OUR GOALS

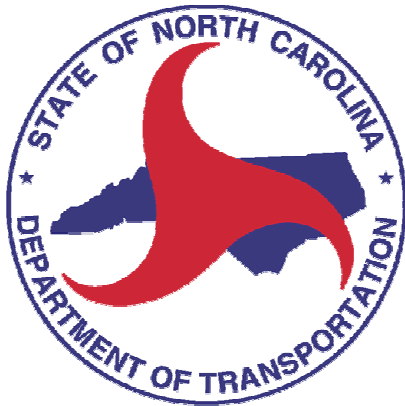
- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



The graphic is a vertical rectangle with a blue background and red and white horizontal stripes at the top and bottom. It contains the NCDOT logo, a mission statement in a white box, a list of goals, and the official seal of the North Carolina Department of Transportation.

- Fulfilling our role in “Connecting People and Places in North Carolina”
- Unleashing the Potential of our Workforce

North Carolina Board of Transportation Statewide Planning Committee



Presented by
Mark Tyler

February 7, 2008

Statewide Planning Committee Meeting Agenda

Florida Transportation Commission (FTC) Findings

- About the Commission
- Primary Functions
- Prohibitions
- Florida DOT Oversight Process
- Florida DOT Work Program & Performance Measures
- Florida DOT Performance Evaluation
- Comparison with TMT Efforts

Florida Transportation Commission

*The mission of the Florida Transportation Commission is to provide **leadership** in meeting Florida's transportation needs through **policy guidance** on issues of statewide importance and maintaining **public accountability** for the Department of Transportation.*

- Composed of nine Commissioners appointed by the Governor and confirmed by the Florida Senate for four-year terms.
- The law requires that membership "equitably represent all geographic areas." Historical precedent is one commissioner from each FDOT district and two "at large" commissioners; one with rail and one with ports expertise.
- The Commissioners must represent transportation needs of the state as a whole and may not subordinate state needs to those of any particular area.

Florida Transportation Commission - Primary Functions

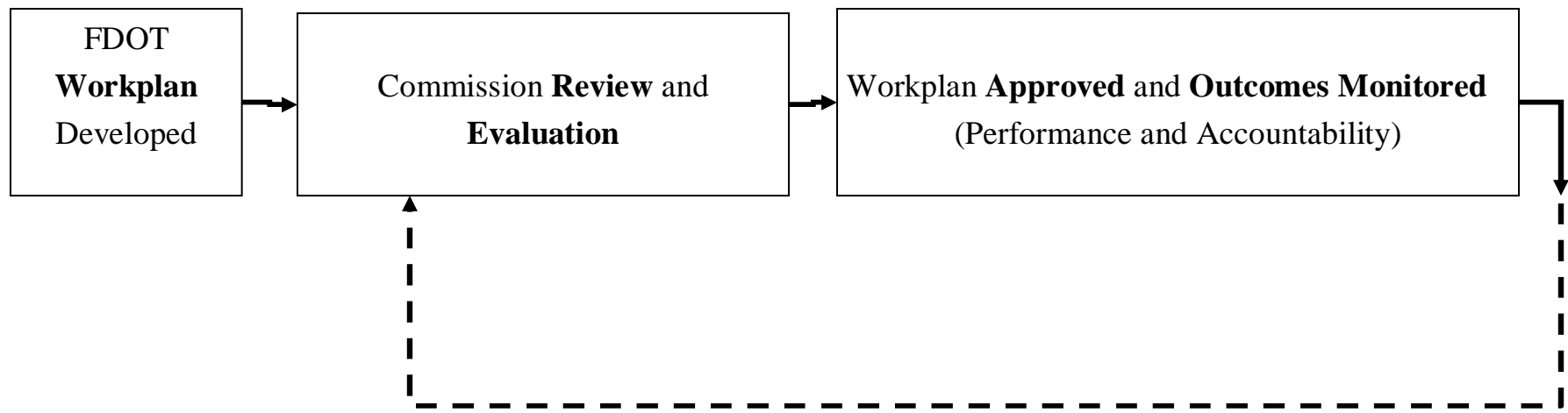
- Review major transportation policy and make recommendations to the Governor and Legislature (public transit, funding, road jurisdiction, truck weights, penalties, etc.).
- Periodically review the status of the state transportation system including highway, transit, rail, seaport, and aviation components of the system
- Serve as nominating commission in the selection of the Secretary of Transportation
- Serve as an oversight body for the FDOT
 - **Assess performance (Quarterly & Annually)**
 - **Monitor financial status**
 - **Review Work Program, Budget Requests and Long-Range Plan**

Florida Transportation Commission Prohibitions:

The commission or a member thereof may not enter into the day-to-day operation of the department or a monitored authority and is specifically prohibited from taking part in:

- The awarding of contracts.
- The selection of a consultant or contractor or the prequalification of any individual consultant or contractor.
- The selection of a route for a specific project.
- The specific location of a transportation facility.
- The acquisition of rights-of-way.
- The employment, promotion, demotion, suspension, transfer, or discharge of any department personnel.
- The granting, denial, suspension, or revocation of any license or permit issued by the department.

Florida Transportation Oversight Process



Florida Transportation Oversight Process

I

2007 Meeting Schedule

The Florida Transportation Commission is required to meet at least quarterly. Typically meet 6 to 8 times per year.

Annual Workplan
Review - Public
Hearing

January 5	9:00 a.m.	Orlando
March 5	1:00 p.m.	Tallahassee
May 24	8:30 a.m.	Tallahassee
September 13	8:30 a.m.	Pensacola
October 9	8:30 a.m.	Ft. Lauderdale
December 6	8:30 a.m.	Tallahassee

Annual
Performance
Evaluation

Florida DOT Annual Work Program

- FDOT submits an Annual **Work Program** to the FTC
- The FTC shall conduct a **statewide public hearing** on the tentative work program.
 - Conduct an in-depth evaluation of the tentative work program; and
 - Hear all questions, suggestions, or other comments offered by the public.

Note: Typically held at the March Commission meeting as this meeting aligns with Legislative calendar in Florida

FLORIDA TRANSPORTATION COMMISSION

*James W. Holton, Chairman
Janet Watermeier, Vice Chair
Sidney Calloway, Secretary
Gabriel Bustamante
Marshall Criser, III
Earl Durden
Martha "Marty" Lanahan
Marcos Marchena
David A. Straz, Jr.*



*Charlie Crist
Governor*

AGENDA
March 5, 2007
1:00 p.m. – 5:00 p.m.
Florida Department of Transportation
605 Suwannee Street, Auditorium
Tallahassee, Florida
850-414-4105

TIME	SUBJECT	SPEAKERS
1:00 p.m.	Call to order and approval of the Minutes	Chairman Jim Holton
1:05 p.m.	Chairman's Report Consideration of CUTR Board Appointments	
1:15 p.m.	Agency Report	Stephanie Kopelousos, Interim Secretary
1:30 p.m.	Statewide Public Hearing Florida Department of Transportation's Department of Transportation Tentative Work Program Review For FY 2008 - 2012	Mark Reichert, Deputy Director Commissioners Department of Transportation
3:45 pm.	Break	
4:00 p.m.	Tampa Bay Regional Transportation Initiatives	Joe Smith, Tampa Bay Partnership Stuart Rogel and Amy Lettelleir
4:30 p.m.	Legislative Update	Sally Patrenos, Executive Director
4:45 p.m.	2 nd Quarter Performance Review	David Tassinari, Manager of Finance and Performance Monitoring
4:50 p.m.	Public Comment	
5:00 p.m.	Adjourn	Chairman Holton

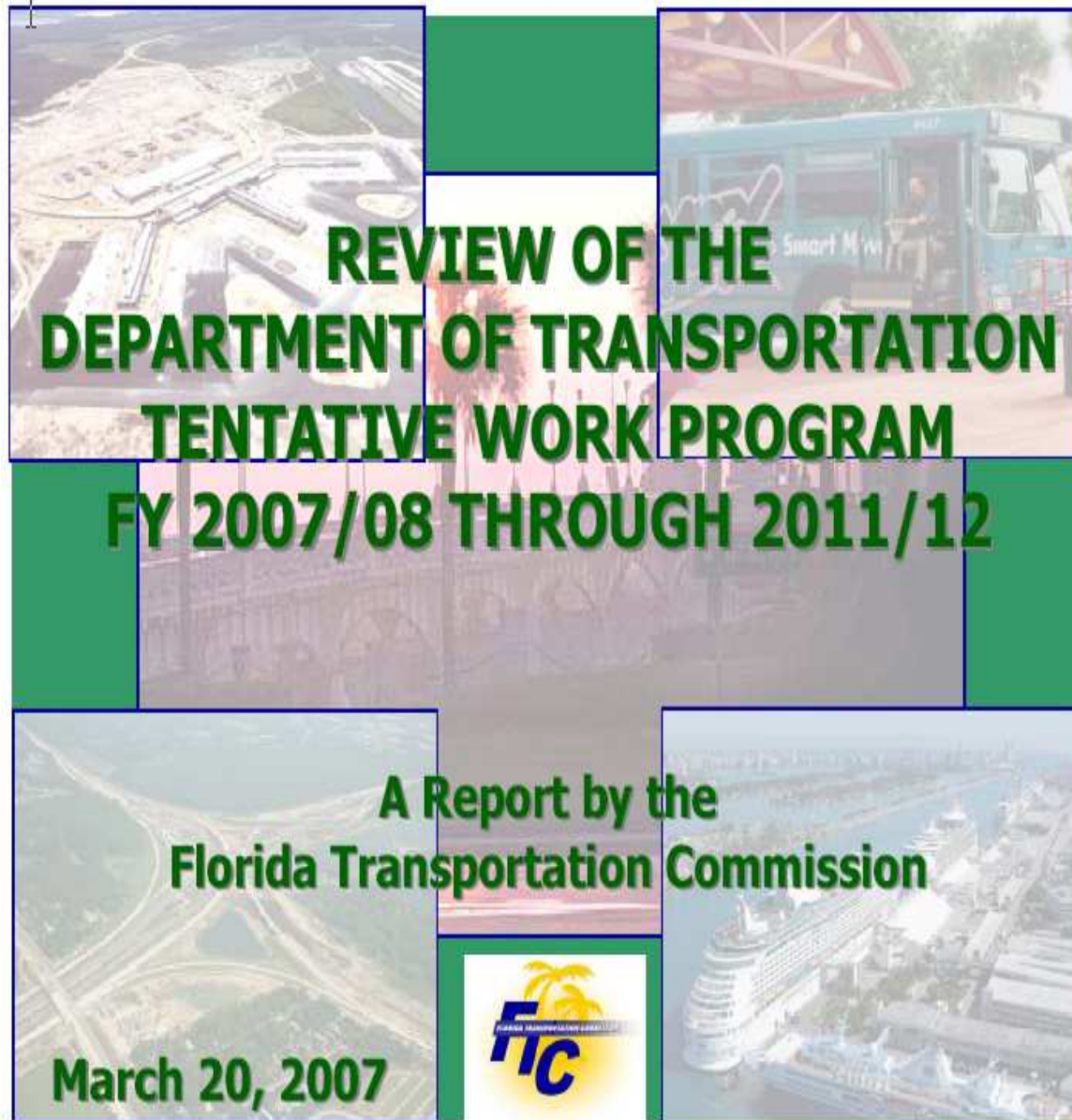
www.ftc.state.fl.us
(850) 414-4105 * 605 Suwannee Street, Tallahassee, FL 32399-0450, MS 9 * Fax (850) 414-4234

Florida DOT Annual Work Program

The Commission shall submit to the Executive Office of the Governor and the legislative appropriations committees a **report** that evaluates the tentative work program for:

- Financial soundness;
- Stability;
- Production capacity;
- Accomplishments, including compliance with program objectives
- Compliance with approved local government comprehensive plans;
- Objections and requests by metropolitan planning organizations;
- Policy changes and effects thereof;
- Identification of statewide or regional projects; and
- Compliance with all other applicable laws.

Florida DOT Annual Work Program



Following evaluation by the Florida Transportation Commission, the **Department** shall submit the tentative work program to the Executive Office of the Governor and the legislative appropriations committees no later than 14 days after the regular legislative session begins.

Florida DOT - Performance Measures

The **Florida Transportation Commission** shall develop and adopt measures for evaluating the performance and productivity of the department. The measures must, at a minimum, assess performance in the following areas:

- **Production;**
- **Finance and Administration;**
- **Preservation** of the current state system;
- **Safety** of the current state system;
- **Capacity improvements:** highways and all public transportation modes;
- **Disadvantaged Business Enterprise** and minority business programs.

Florida DOT - Performance Measures

Performance Measure Criteria:

- Must be **meaningful**
- **Simple** and **clear** to the **layperson** and easily interpreted
- Fair to FLDOT - focusing on areas most within the **Department's control**
- **Adjustable** and refined when necessary
- Include measures that are **of most concern** to the public user / taxpayer
- To the maximum extent, measures should be **quantitative**
- **Consistent** for comparative purposes
- **Low performance is improvement driven**, not sanction driven

Florida DOT - Performance Measures

FY 2006/2007 Performance and Production Review










Summary of Performance

Production (Delivery) →

Production (Delivery) →

Production (Delivery) →

Preservation →

Measure	Objective	FY 06/07 Results	Meets Objective
The number of consultant contracts actually executed compared against the number planned. (See page 22)	≥95%	97.1%	
The number of ROW projects certified compared to the number scheduled for certification. (See page 25)	≥90%	95.9%	
The number of construction contracts actually executed compared against the number planned. (See page 31)	≥95%	97.6%	
The number of Local Agency Program (LAP) consultant contracts actually executed compared against the number planned. (See page 36)	≥80%	82.2%	
The number of Local Agency Program (LAP) construction contracts actually executed compared against the number planned. (See page 39)	≥80%	68.8%	
For all construction contracts completed during the year, the percentage of those contracts that were completed within 20% above the original contract time. (See page 43)	≥80%	73.9%	
For all construction contracts completed during the year, the percentage of those contracts that were completed at a cost within 10% above the original contract amount. (See page 47)	≥90%	84.5%	
The percentage of bridge structures on the State Highway System having a condition rating of either excellent or good. (See page 54)	≥90%	94.3%	
The percentage of bridge structures on the State Highway System with posted weight restrictions. (See page 56)	<1%	.13%	

Performance Evaluation - Quarterly

The commission shall evaluate the department's performance and productivity **quarterly**, using the measures adopted.

FLORIDA TRANSPORTATION COMMISSION

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Janet Watermeier, Vice Chairman
Sidney Calloway, Secretary
Gabriel Bustamante
Marshall Criser, III
Martha "Marty" Lanahan
Marcos Marchena
Bart R. Pullum
David A. Straz, Jr.*



AGENDA DECEMBER 6, 2007 8:30 A.M. – 12:00 P.M. DEPARTMENT OF TRANSPORTATION BURNS BUILDING AUDITORIUM TALLAHASSEE, FLORIDA

TIME	SUBJECT	SPEAKER
8:30 a.m.	Call to order, approval of the Minutes; Chairman's Report	Chairman James W. Holton
8:45 a.m.	Agency Report	Secretary Stephanie Kopelouzos
9:15 a.m.	1 st Quarter FY 2008 Performance Report	David Tassinari, Manager of Finance and Performance Monitoring
9:20 a.m.	Safety Report	David Tassinari, Manager of Finance and Performance Monitoring
9:45 a.m.	Safety Initiatives	Marianne Trussell, Chief Safety Officer
10:00 a.m.	Break	
10:15 a.m.	Transportation Authority Performance Measure Update	Commissioner Marchena
10:30 a.m.	Moving Beyond the Gas Tax	Kevin Heeflich, PBS&J
10:50 a.m.	State Transportation Trust Fund Revenue Enhancement Proposal	Chairman James W. Holton
11:30 a.m.	Election of Officers	Chairman James W. Holton
11:45	Public Comment	
12:00 p.m.	Adjourn	Chairman James W. Holton

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Performance Evaluation - Annual

- **Annual Evaluation**, the commission shall **submit** its **findings** to the Governor and to the legislative transportation and appropriation committees.

- If the commission finds that the department **failed** to perform satisfactorily under these measures, the commission must **recommend actions** to be taken to **improve** the department's **performance**.

FLORIDA TRANSPORTATION COMMISSION

*James W. Holton, Chairman
Janet Watermeier, Vice Chairman
Sidney Calloway, Secretary
Gabriel Bustamante
Marshall Criser, III
Martha "Marty" Lanahan
Marcos Marchena
Bart R. Pullum
David A. Straz, Jr.*



*Charlie Crist
Governor*

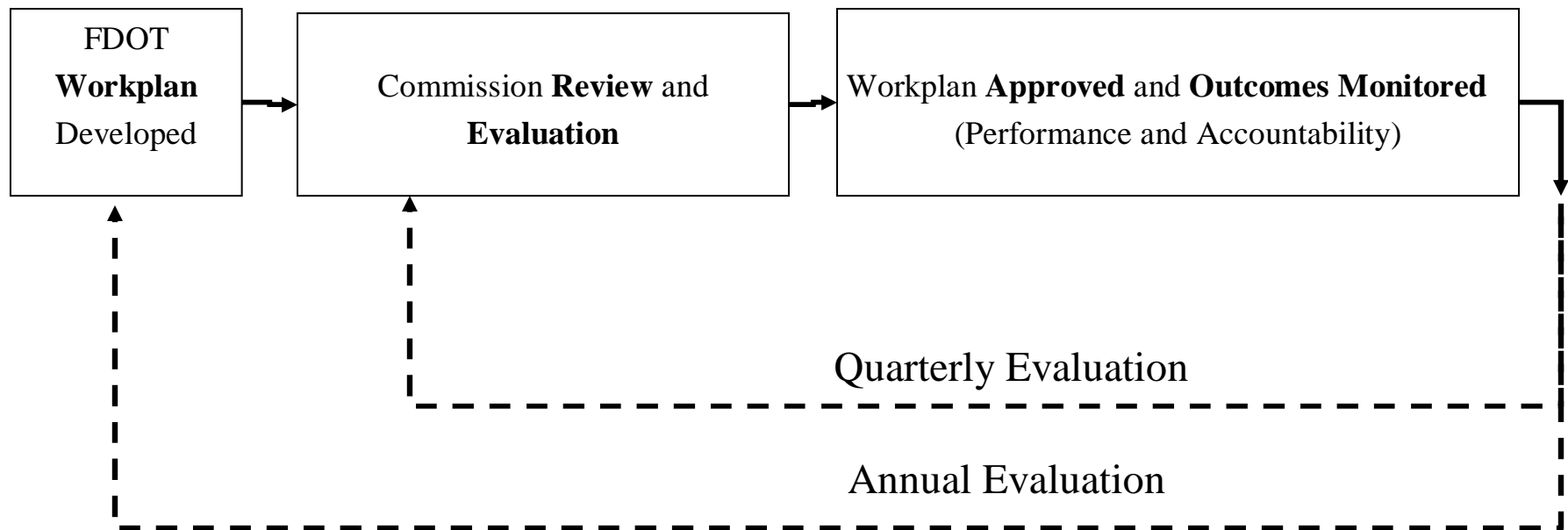
AGENDA

September 13, 2007

8:30 a.m. – 12:00 p.m. (CDT)
Crowne Plaza, Grand Central Station
200 E. Gregory Street, Pensacola, Florida
(850) 433-3336

TIME	SUBJECT	SPEAKERS
8:30 a.m.	Call to Order Approval of the Minutes Chairman's Report	Chairman James W. Holton
8:45 a.m.	Opening/Welcome	The Honorable John Fogg, Mayor of Pensacola
9:00 a.m.	FDOT Fiscal Year 2006/2007 Performance and Production Review	David Tassinari Manager Finance/Performance Monitoring
9:30 a.m.	Agency Report/Response to Performance Review	Secretary Stephanie Kopelousos
9:45 a.m.	Break	
10:00 a.m.	Update on the "Great Northwest"	District 3 Secretary Larry Kelley
10:15 a.m.	FDOT District Performance Reports (D-3, D-2, D-5, Turnpike, D-4, D-6, D-1, D-7)	District Secretaries and the Turnpike Enterprise Executive Director
11:30 a.m.	Review of Recommended Performance Measures for Transportation Authorities	Commissioner Marcos Marchena
11:50 a.m.	Public Comment	
12:00 p.m.	Adjourn	Chairman James W. Holton

Florida Transportation Oversight Process



TMT Integration




NCDOT

OUR MISSION

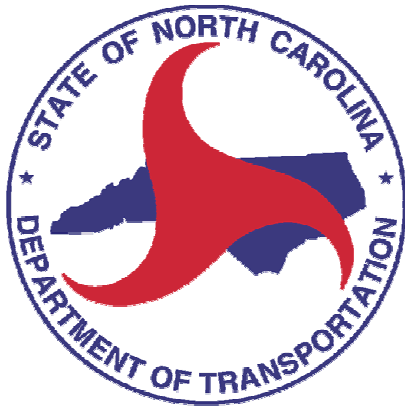
"Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity"

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



NCDOT Transformation Update Board of Transportation



Roberto Canales, PE

March 5, 2008

Key Focus Areas

Key Deliverables

- ✓ **Streamlined Project and Programs (TIP)**
 - Regional Team Approach
 - Pilot Delivery Models & Projects Identified
- ✓ **“Bottoms-Up” Organization Assessment**
 - Responses Received & Initial Assessment Complete
- ✓ **Performance Management System – Start Date**
 - April 2008 Top 150 Leadership Positions
 - April 2009 All NCDOT Employees
 - October 2008 (All Employee Pilot)
- ✓ **TMT Communications**
 - Question and Answer Sessions with Secretary Tippet

Deliverables in the Near Future

- ✓ **OIG Recommendation / Implementation**
- ✓ **IT Recommendation / Implementation**
- ✓ **Program / Project Delivery Recommendations**
- ✓ **Project STaRS Recommendations**
- ✓ **Leadership Planning Recommendations (Readiness)**
- ✓ **Talent Strategist Recommendation**
- ✓ **Policy Office Recommendation**
- ✓ **Finalize Mobility Workstream**

Connecticut Governor Proposes DOT Reform (AASHTO Journal February 22, 2008)

Acting on commission recommendations, Connecticut Gov. M. Jodi Rell announced earlier this month that she plans to split the state transportation department into two organizations—one focused on highways and the other public transportation, aviation and ports.

Rell laid out the plan to split the department during her State-of-the-State address to the legislature. Other changes to the department include:

- Forty-two inspectors for bridge maintenance to ensure that bridges are inspected every two years and repaired as necessary;
- **A new "511" system to allow the public to retrieve timely and accurate travel information;**
- A new Citizens Response Ombudsman;
- Fifty additional engineers for design and oversight;
- **A Chief Operating Officer for the department; and**
- **A new Office of Strategic Planning and Evaluation.**

"I am excited about bringing needed change to DOT and I know you share my urgency in getting this job done—and done right" Rell said.

Rell appointed the Connecticut Department of Transportation Reform Commission in July of last year. It was headed by former Pitney Bowes CEO Michael Critelli. Interim ConnDOT Commissioner Emil Frankel brought in several consultants with experience in reforming transportation agencies to help with the process.

Among the commission's major findings were:

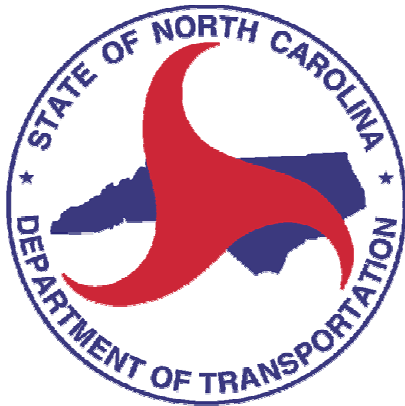
- **ConnDOT must be accountable for achieving measurable results, consistent with continuous customer-driven quality improvement;**
- **Given the large and growing gap between needed and available funding, ConnDOT must be strategic in choosing what it will and will not choose to do;**
- **As Federal and state funding will likely become continually harder to get, ConnDOT needs to be much more competitive in advocating funding for transportation in both Washington, D.C. and Hartford, as well as being innovative in sourcing funding outside of traditional federal and state transportation streams.**

The commission plans to address financing and funding in a second report due out this summer.

On the plus side, the commission noted Connecticut does extremely well in metrics associated with highway and pedestrian safety, according to the 2006 Federal Bureau of Transportation Statistics report. It averages 7.8 fatalities per 100,000 people while the national average is: 14.7; pedestrian fatalities are 1.0 per 100,000 people (national average: 1.6); large truck involvement in fatal crashes is 4.6 percent of the total (national average: 8.3 percent); and the rural interstate roads are in good shape, with none in poor condition and only 1.22 percent having excessively narrow lanes. Fatalities on rural roads are also below the averages of other states.

To print out or view the complete report, visit
<http://www.ct.gov/dot/lib/dot/govcomm/govcommfinalreport.pdf>.

NCDOT Transformation Update Board of Transportation



Roberto Canales, PE

April 2, 2008

Key Focus Areas

Key Deliverables

- ✓ **Presentations to:**
 - ✓ JLTO
 - ✓ 21st Century Transportation Committee Prioritization Subcommittee
- ✓ **Leadership Planning & Career Tracks Recommendations**
- ✓ **Talent Strategist Position Description**
- ✓ **PDA for Top 150 Mgmt Positions**
- ✓ **Question & Answer Sessions with Secretary for Raleigh Based Units**
- ✓ **McKinsey Recommendations → TMT Status**
- ✓ **Transformation Project Plan (Gantt Chart)**

Deliverables in the Near Future

- ✓ **Dashboard**
 - ✓ Works Well – Budget & Schedule
 - ✓ Environment
 - ✓ Lasts Longer
- ✓ **Implementation**
 - ✓ OIG
 - ✓ Project STaRS
 - ✓ Talent Strategist
 - ✓ Policies & Procedures Archive
 - ✓ “Bottoms Up”
- ✓ **Recommendations**
 - ✓ Information Technology (IT)
 - ✓ Mobility
 - ✓ Program & Project Delivery
- ✓ **Field Q&A with Sec. Tippet**
- ✓ **TMT Exit Strategy**
- ✓ **TMT Final Report**

Top 10 Employee Questions to Secretary Tippet

1. Equitable Compensation
2. Public Image of NCDOT
3. Pay for Performance
4. Career Growth
5. Alternative Work Schedules
6. Specific Changes from Transformation/ How Transformation Affects Individual Employees
7. Sustainability of Transformation (Culture Change)
8. Priorities of The Department
9. Role of the Board of Transportation
10. How Can We Improve Communications within NCDOT

PDA – Deputy Secretary for Transit

GUIDE FOR DASHBOARD SCORECARD

Name: Roberto Canales

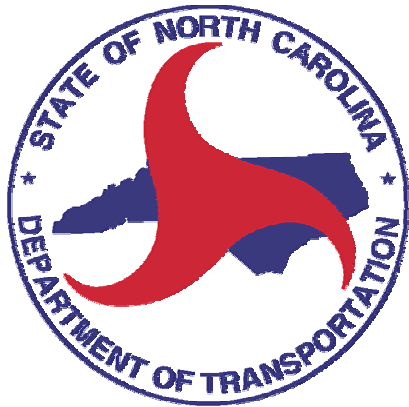
Position/Title: Deputy Secretary

NCDOT Goals: (1) Make our transportation network safer.
 (2) Make our transportation network move people and goods more efficiently.
 (3) Make our infrastructure last longer.
 (4) Make our organization a place that works well.
 (5) Make our organization a great place to work.

PERFORMANCE DASHBOARD AND APPRAISAL WORKSHEET

Goal	Metric	Metric Definition	Target	Data Source	Wt (%)
1	Fatality Rate	% improvement in fatality rates compared to national goal of 1.0 fatalities per 100 million vehicle miles traveled	1.50-1.63	Traffic Engineering	5
2	System Reliability	% travel time reliability for ferry and rail services	70-89% on schedule	TBD	20
4	Projects/Programs/Services on Schedule and within Budget	# of projects/programs/services planned for year divided by # actual completed = % success rate	70-89% delivered	Division Directors, STaRS and/or BW, HiCAMS	20
4	Environmental Stewardship	% reduction in growth rate of vehicle miles traveled (VMT)	1-3% reduction	Public Transportation	15
4	Business Development and Outreach	% of Federal, State, and departmental goals met for DBE, MBE, WBE, and SBE participation	90-95% of goal met	SAP	15
4	Customer Service	Customer satisfaction scores (divisions, public, partners, etc.)	70-89% satisfied	Customer Surveys	15
4	Fiscal Management	TBD	TBD	Financial Management	0
5	Employee Safety	Employee Safety Index – 3 Yr. Avg	9.75-5.96	Safety & Loss Control	5
5	Employee Satisfaction	TBD	TBD	Employee Survey	0
5	Recruiting, Developing and Retaining Diverse Employees	% of workforce representation, new hire and promotion goals met (diversity rate)	60-79%	Equal Employment Opportunity Office	5

NCDOT Transformation Update Board of Transportation



Roberto Canales, PE
April 30, 2008

Key Focus Areas

Key Deliverables

- ✓ **PDA for Top 150 Mgmt Positions**
 - ✓ Transitioning PDA training to HR
 - ✓ Sample PDA
- ✓ **Question & Answer Sessions with Secretary** - Divisions 13 & 14
- ✓ **UNC Healthcare & SAS collaboration meetings**
- ✓ **Transportation Planning Assessment Survey**
- ✓ **Employee Engagement Survey** - Sept. 2008
- ✓ **Hiring Practices Recommendations**
- ✓ **SPOT Office staffing**
- ✓ **Female Pilot Mentorship update**
- ✓ **Wireless Network Availability**

Deliverables in the Near Future

- ✓ **Dashboard**
 - ✓ Works Well – Budget & Schedule
 - ✓ Environment
 - ✓ Lasts Longer
- ✓ **Implementation**
 - ✓ HR Reorganization
 - ✓ Office of Inspector General
 - ✓ Policies & Procedures Archive
- ✓ **Recommendations**
 - ✓ Customer Service Survey
 - ✓ Equipment Assessment
 - ✓ Budgeting Assessment
 - ✓ Transportation Planning
 - ✓ Information Technology (IT)
 - ✓ Mobility
 - ✓ Program & Project Delivery
- ✓ **TMT Final Report**

PDA – Deputy Secretary for Transit

Section A. Performance Metrics

Performance Cycle Date:	April 1, 2008 – March 31, 2009		
Name:	Roberto Canales	Unit/Section:	Office of the Secretary
Classification/Title:	Deputy Secretary for Transit	Supervisor's Name:	Dan DeVane

NCDOT Goals: (1) Make our transportation network **safer**. (2) Make our transportation network move people and goods **more efficiently**. (3) Make our infrastructure **last longer**. (4) Make our organization a place that **works well**. (5) Make our organization a **great place** to work.

Enter NCDOT Goal (1-5 above)	Results Expectations			Progress Review Actual Results			Year End		
	Measure	Target	% Weight	Review Date:	Review Date:	Review Date:	Actual Results	Number Rating *1, 2, 3	Weighted Rating % Weight x No. Rating
1	Fatalities	1.50-1.63	5						
2	System reliability	70-89%	20						
4	Projects/programs/services on schedule and within budget	70-85%	20						
4	Environmental stewardship	1-3%	15						
4	Business development and outreach	90-95%	15						
4	Customer service	70-89%	15						
4	Fiscal management	TBD	0						
5	Employee safety	9.75-5.96	5						
5	Employee satisfaction	TBD	0						
5	Recruiting, developing and retaining diverse employees	60-79%	5						
Total % must = 100			100%	Combined Weighted Rating =					
*Number Rating Key:				Sum of % weights that received a number rating of “1” at year end					
1 = Does not meet expectations									
2 = Meets expectations									
3 = Exceeds expectations									

Beginning of performance cycle: Signatures indicate supervisor and employee have discussed performance metrics, NCDOT values and leadership competencies.

Supervisor's signature:		Title:		Date:	
Employee's signature:		Date:			

PDA – Deputy Secretary for Transit

GUIDE FOR DASHBOARD SCORECARD

Name: Roberto Canales

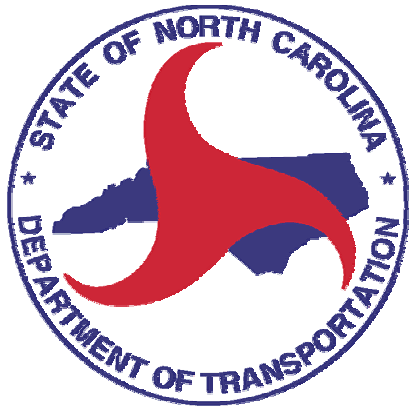
Position/Title: Deputy Secretary

NCDOT Goals: (1) Make our transportation network safer.
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PERFORMANCE DASHBOARD AND APPRAISAL WORKSHEET

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4	Fiscal Management	TBD	TBD	Financial Management	0
5	Employee Safety	Employee Safety Index – 3 Yr. Avg	9.75-5.96	Safety & Loss Control	5
5	Employee Satisfaction	TBD	TBD	Employee Survey	0
5	Recruiting, Developing and Retaining Diverse Employees	% of workforce representation, new hire and promotion goals met (diversity rate)	60-79%	Equal Employment Opportunity Office	5

NCDOT Transformation Update Board of Transportation



Roberto Canales, PE
June 4, 2008

Key Focus Areas

Key Deliverables

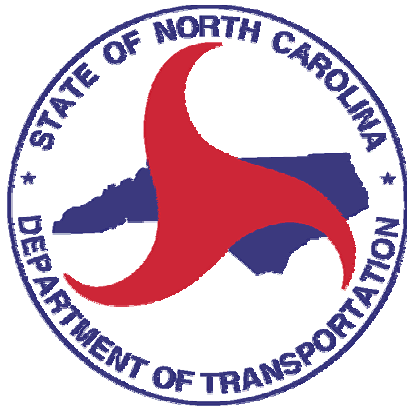
- ✓ **Career Development Assessment & Recommendations**
- ✓ **Equipment Assessment & Recommendations**
- ✓ **Budgeting Assessment & Recommendations**
- ✓ **Employee Training Assessment & Recommendations**
- ✓ **Question & Answer Sessions with Secretary**
 - ✓ Traffic Engineering
- ✓ **Wireless Network Availability**
- ✓ **Executive Dashboard Update**
 - ✓ Works well – Schedule
 - ✓ Environment

Deliverables in the Near Future

- ✓ **Employee Engagement Survey - Sept. 2008**
- ✓ **Dashboard**
 - ✓ Lasts Longer
 - ✓ Works Well – Budget
- ✓ **Implementation**
 - ✓ HR Reorganization
 - ✓ Office of Inspector General
 - ✓ Policies & Procedures Archive
- ✓ **Building Next-Generation HR Line-Partnerships**
 - ✓ OSP Collaboration – July 18
- ✓ **Recommendations**
 - ✓ Transportation Planning
 - ✓ Mobility
 - ✓ Safety & Loss Control
 - ✓ Customer Service Survey
 - ✓ Information Technology (IT)
 - ✓ Program & Project Delivery
- ✓ **TMT Final Report**

NCDOT Transformation Update

Board of Transportation



Roberto Canales, PE
July 9, 2008

Key Focus Areas

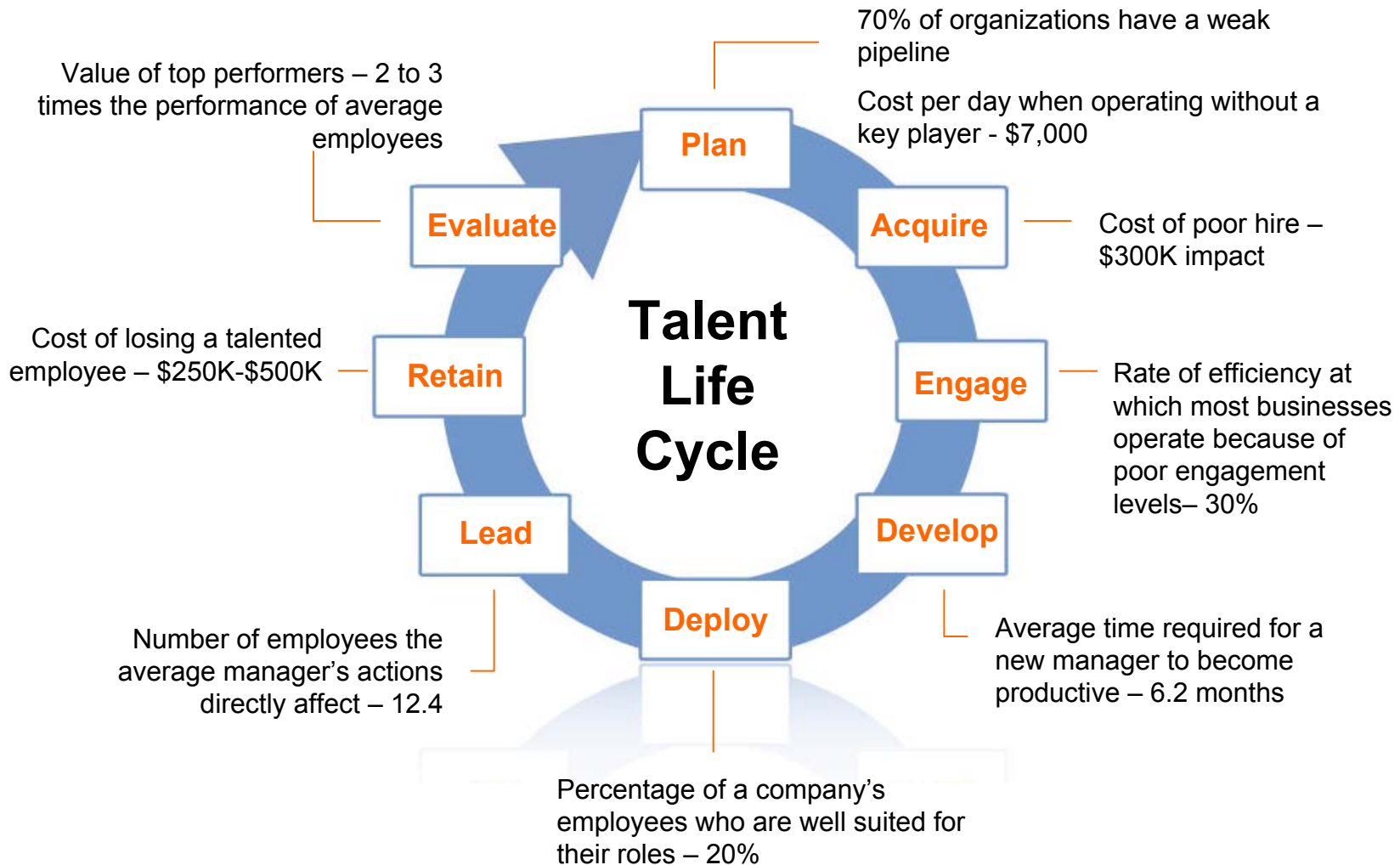
Key Deliverables

- ✓ **Transportation Planning Assessment & Recommendations**
- ✓ **GIS Based Strategic Planning Tools**
- ✓ **Equipment Operations Assessment & Recommendations**
- ✓ **Safety & Loss Control Assessment & Recommendations**
- ✓ **Traffic Count Assessment & Recommendations**
- ✓ **Question & Answer Sessions with Secretary**
 - ✓ Divisions 2, 3 & 6
- ✓ **Wireless Network Availability**

Deliverables in the Near Future

- ✓ **Employee Engagement Survey - Sept. 2008**
- ✓ **Dashboard**
 - ✓ Lasts Longer
 - ✓ Works Well – Budget
- ✓ **Implementation**
 - ✓ HR Reorganization
- ✓ **Building Next-Generation HR Line-Partnerships**
 - ✓ OSP Collaboration – July 18
- ✓ **Recommendations**
 - ✓ ITS Consolidation Workgroup
 - ✓ Mobility
 - ✓ Customer Service Survey
 - ✓ Information Technology (IT)
 - ✓ Program & Project Delivery
- ✓ **Upcoming Question & Answer Sessions**
 - ✓ **July 15 – Divisions 7 & 9**
 - ✓ **July 22 – Divisions 4 & 5**
- ✓ **TMT Final Report**

The Talent Life Cycle by the Numbers



NCDOT Transformation Update

Board of Transportation



Roberto Canales, PE
August 6, 2008

Key Focus Areas

Key Deliverables

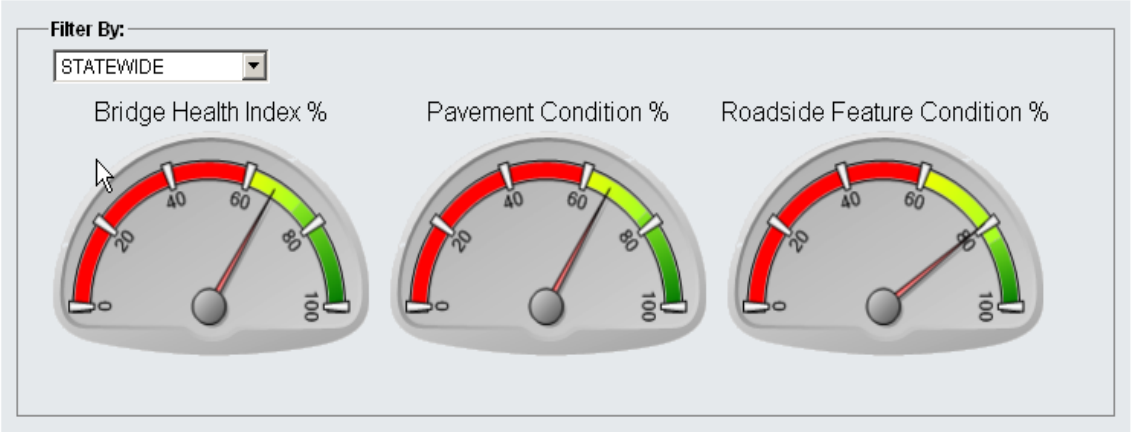
- ✓ **Transportation Planning Assessment & Recommendations**
- ✓ **Customer Service Survey Alternatives**
- ✓ **ADA Assessment & Recommendations**
- ✓ **Traffic Count Assessment & Recommendations**
- ✓ **Question & Answer Sessions with Secretary**
 - ✓ Divisions 4 & 5
- ✓ **Wireless Network Availability**

Deliverables in the Near Future

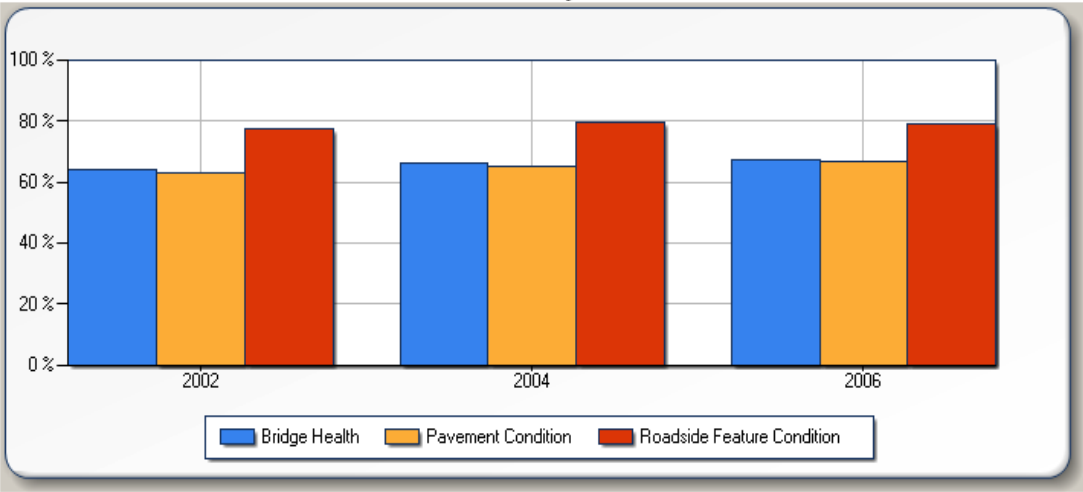
- ✓ **Employee Engagement Survey -**
Sept. 2008
- ✓ **Dashboard**
 - ✓ Efficiently
 - ✓ Works Well – Budget
- ✓ **Implementation**
 - ✓ HR Talent Strategist
- ✓ **Recommendations**
 - ✓ ITS Consolidation Workgroup
 - ✓ Mobility
 - ✓ Customer Service Survey
 - ✓ Program & Project Delivery
- ✓ **Upcoming Question & Answer Sessions**
 - ✓ August 27 – Divisions 11 & 12
- ✓ **TMT Final Report**

Infrastructure Health Statewide

This page displays the Department's success rate for maintaining and improving the health of our highway system. These items are indicators of the health and condition of our bridges, pavements and roadside features such as guardrails, signs and culverts.



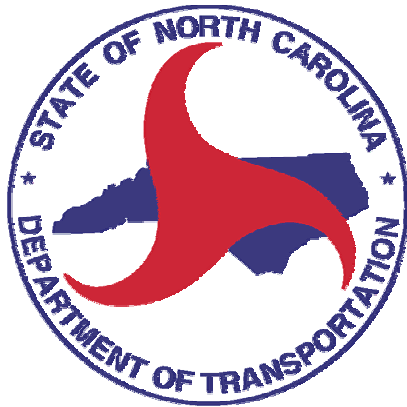
Statewide Yearly Statistics



	Bridge Health	Pavement Condition	Roadside Feature Condition
2002	64.2%	62.9%	77.3%
2004	66.0%	65.1%	79.7%
2006	67.2%	66.7%	79.3%

NCDOT Transformation Update

Board of Transportation



Roberto Canales, PE
November 5, 2008

Key Deliverables

- ✓ **Establishment of the Department's Strategic Management Committee**

Ongoing Oversight and Review

- ✓ **Organization Performance -**
Quarterly Review
- ✓ **Human Resource / Talent Strategy -**
Quarterly Review
- ✓ **Information Technology -**
Quarterly Review
- ✓ **Current Issues**
 - ✓ Economic Forecast
- ✓ **Ongoing Quality Enhancement Reviews**
 - ✓ Transportation Mobility
 - ✓ Traffic Counts Workstream
 - ✓ Career Mobility
 - ✓ IT Review

Long Term Strategic Management Calendar

Activity	2008			2009											
	Q4			Q1			Q2			Q3			Q4		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Organizational Performance															
Review Dashboard	◆			◆			◆			◆			◆		
Organizational Performance Report		▲			△										
Results Based Budgeting ???															
Present Strategic Plans				▲											
BU Action Plans - Begin Cycle					▲										
BU Action Plans - Report out to SMC		△	—		△	—					△	—			
PDA's															
Human Resources/Talent Management															
Leadership Development		◆			◆			◆			◆			◆	
Strategic Competency Based Pay															
Employee Engagement Survey															
Human Resource Policies															
Information Technology															
Project Prioritization			◆			◆			◆			◆			◆
Project Status Updates		△	△	△	△	△	△	△	△	△	△	△	△	△	△
Current Issues															
Budget Revenue Status			△	△	△	△	△	△	△	△	△	△	△	△	△
Realignment															
Committee Structures	△	—													
Office of Inspector General (OIG) Approach			△												
Quality Enhancement Unit (QEU) Approach				△											
TMT Outstanding Items															
Strategic Blueprint	△														
Performance Metrics		△													
Strategic Planning & Prioritization				△											
Final Report		▲	—												

Legend: ◆ SMC meeting dedicated to this item
 ▲ Date cannot slip on this item
 △ Agenda item to be discussed

TMT Presentation to Ops Staff Meeting

September 6, 2007

11 AM

In Board Room

Audience: Division Engrs & Unit Heads

Our Needs: Have them be supportive and engaged

Their Needs: Feel engaged, informed and valued

UPDATE ON TRANSFORMATION EFFORTS

- McKinsey has gone home
- Thank you for **Questionnaire** Responses – using these to make sure TMT is on right track
- TMT has hypotheses we are validating and some **Quick Wins** on table
- LT is on board with us, have taken some to **Secretary**...cautiously optimistic
- October 1st = **Report to Legislature** Due

STRATEGIC PRIORITIZATION SUMMIT (Sept 10)

- Barry Moose, Pat Ivey, Anthony Roper, Terry Gibson and Jon Nance are attending as Reps
- Beginning of setting **priorities** for NCDOT's resources
- Projects, Programs, Services and Initiatives (>TIP)
- Getting input on **criteria** we should be using to prioritize

NEW STRATEGIC PLANNING SCHEDULE

- Feedback from meetings with BOT this week
- Next Step = Reaching out to MPO's
 - Small Meeting with Key Leaders to get Feedback (mid-Oct)
 - General Discussion of Transformation at Opening Session at MPO Conference (Oct 24)

METRICS DISCUSSION FROM TUESDAY AFTERNOON

- Thanks for participating, know it was painful
- Just a place to begin conversation
- Will be iterative and two way
- Hard to understand in current context of how DOT works...

Talent Management Initiatives Presentations (30 mins)

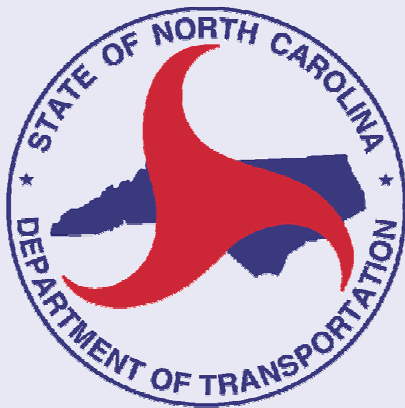
Ops Staff & Pre-Con Unit Heads – 10/29/07

Exec Committee – 11/1/07

- McKinsey Survey told us we need to improve management of NCDOT.
- 2 parts of managing – making decisions and being held accountable for the results of those decisions.
- Secretary Tippet and Dep Sec DeVane have agreed to changes to the following DOT policies and programs
 - Hiring Practices: Approvals, Salaries, Postings, Vacancy Rates
 - Career Banding
 - Staff Development and Travel Approvals
 - Alternative Work Schedules
 - Mentorship Programs
 - Administrative Support Competency Based Pay Program
 - Recruiting & Retention, including PE Bonus
- Not here to spend time going through each today. Here to stress significance of these decisions and the need for your help to move forward.
- These were hard won changes. Senior management's biggest concerns were about ACCOUNTABILITY. How will they know that we are "better" with these changes in place?
- We have a great chance to show that we can manage ourselves appropriately. With these opportunities comes the responsibility for each of us in this room to make SOUND DECISIONS.
- We will develop some "boundaries", we are debating how best to do this, didn't want to hold these up until "policies" could be developed. Concepts such as
 - Travel – not just about \$\$, but also about time: don't have the same folks going out of town more than once a month
 - Salaries – don't give salaries that you cannot justify based on good relevant data (ie business case)

- Coverage – have documented schedules, make sure someone is in the office M-F 8-5.
- Next 3-4 months is essentially our “probation period”. Our decisions in these areas will be heavily scrutinized. Until the formal policies are in place Management is trusting you to make good decisions. If you are unsure of what to do or how to make a decision talk to your supervisor.
- The McKinsey Survey showed us that DOT has not done a good job of empowering our managers. We need to develop leaders not just train managers. We are working on Leadership Training beginning in early 2008 to this end to address this need.
- These 9 changes do not bring us to perfection in these areas. We know that there are “limitations” in each one. We have not gone back and righted all past wrongs. They are steps in the right direction and are not up for further negotiations at this point.
- Please ensure your staff is aware of the importance of how these matters are handled.
- PLEASE REMEMBER if we do not make good decisions now we will
 - Potentially lose the flexibilities we have gotten
 - Limit our ability to move even more forward on these issues
 - Irreparably hurt our credibility as we try to implement other improvements in the Deptmt.
- The McKinsey Survey told us that we need to be better managers. We have brought you 9 tools to enable you to do that. We need you to **MAKE GOOD SOUND DECISIONS** so we can show that we are worthy of the faith that has been placed in us. **BAD DECISIONS BY ANY ONE OF US NOW WILL HURT US ALL BIGTIME!**

NCDOT Transformation Update



Presented by
Roberto Canales, PE
Victor Barbour, PE
Joey Hopkins, PE

December 4, 2007

Solving NC Transportation Problems

- Not Simple Matter of Revenue
- Requires a 3 Step Approach
 - 1) Improve NCDOT Organization & Process to become more efficient and impact focused
 - 2) Establish Statewide Prioritization Process
 - 3) Determine Incremental Resources/Revenues to achieve desired outcomes
 - Dependent on 1 and 2

Why is NCDOT's Transformation Different?

- In-Depth
- Collaborative
- Addresses Root Causes
- Addresses all NCDOT Services
- Speed of Improvements
- Full Time Staff

Case for Change - Perfect Storm

- Multiple External Factors
 - State Growth
 - Demand on the System
 - Inflation Increasing Costs
 - Revenues flat/declining
- Compounding Factors
 - Aging Infrastructure
 - Lack of Interconnectivity
- Current NCDOT Model Not Working
 - “All Things to All People”
- Mandate to Change
 - World class help (McKinsey)

Transformation Beginnings

Long Range Statewide Multimodal Transportation Plan

- 2004 Board of Transportation Adoption
- Tiered Networks (Statewide, Regional and Sub-regional)
 - HIGHEST PRIORITY: **Strategic Highway Corridors**
 - 7% of Roads carrying 45% of traffic
- Balanced Investments (Maintenance & Preservation/Modernization/Expansion)
- Imbalance of State Needs and Resources

Transformation Beginnings

Silo Initiatives

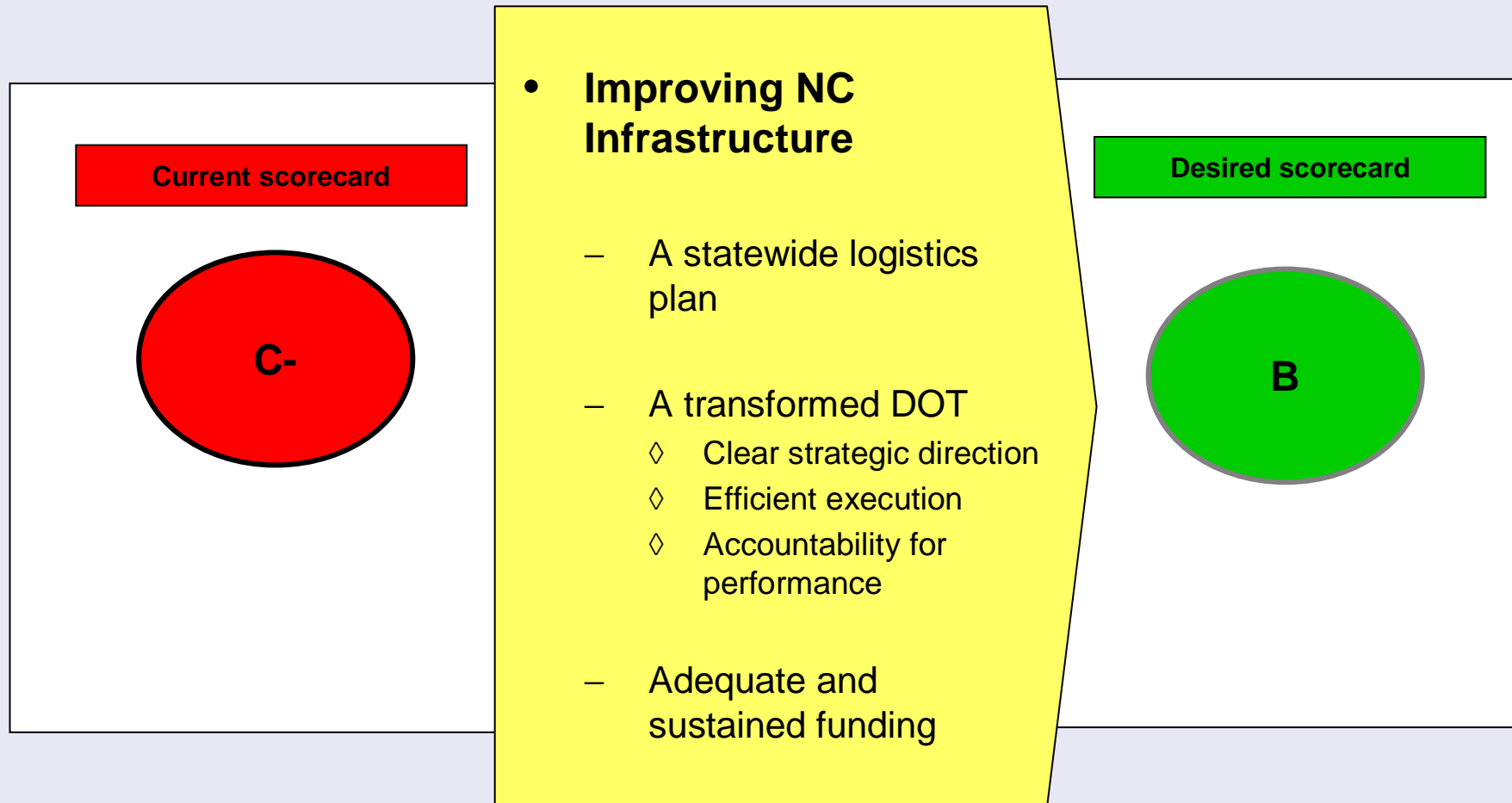
- Asset Management
- Alternative Delivery and Procurement
- Managed Maintenance
- Network Condition and Maintenance Standards
- DMV Customer Queuing
- Cash Management

Where are we Going?

21st Century NCDOT Vision

- Focus on Network Connectivity & Function, not just Projects
- Enhance Systems Operations, to leverage existing infrastructure
- Establish Network Performance Standards
- Greater Internal Efficiency, Ownership and Accountability
- Prioritized, Outcome-Based Budgets
- Link Infrastructure Delivery and Statewide Commerce Goals
- Culture Shift, become true Service Provider

21st Century DOT



Transformation Diagnostic Highlights

Strengths

- ✓ Change Commitment
- ✓ Financial Stability
- ✓ Technical Skills
- ✓ Can Do Attitude

Transformation Diagnostic Highlights

Development Areas

- Conflicting Vision and Goals
- Non-Strategic Portfolio of Project and Services
- Core Processes Lack Prioritization, Accountability, Coordination
 - Project Design & Delivery
 - Strategic Planning (ad-hoc)
 - Operational Processes (not linked to metrics)
 - Funding Flexibility
- Shortcomings
 - Organization Structure (Silo and non-collaborative)
 - Failing Talent System (Recruit/Motivation/Development)
 - Communication (Not pro-active)
 - Employee Mindsets

Current Portfolio of Projects

RISK:

Familiar

Unfamiliar

Innovative

TIMING:

Meet current
needs

Address
long-term
needs

Lagging ability to adopt best
practice (“unfamiliar”) activities

Current distribution of
projects suggests limited
commitment of resources
to innovative programs

PROJECTS

Maintenance & Preservation

- 1 Routine Highway Maintenance
- 2 Highway Resurfacing and Bridge Repair
- 3 Public Transportation
- 4 Ferries

System Modernization

- 5 Highway Improvements
- 6 Bridge Improvements
- 7 XXXX
- 8 Passenger Rail
- 9 Freight Rail
- 10 Bicycle Pedestrian

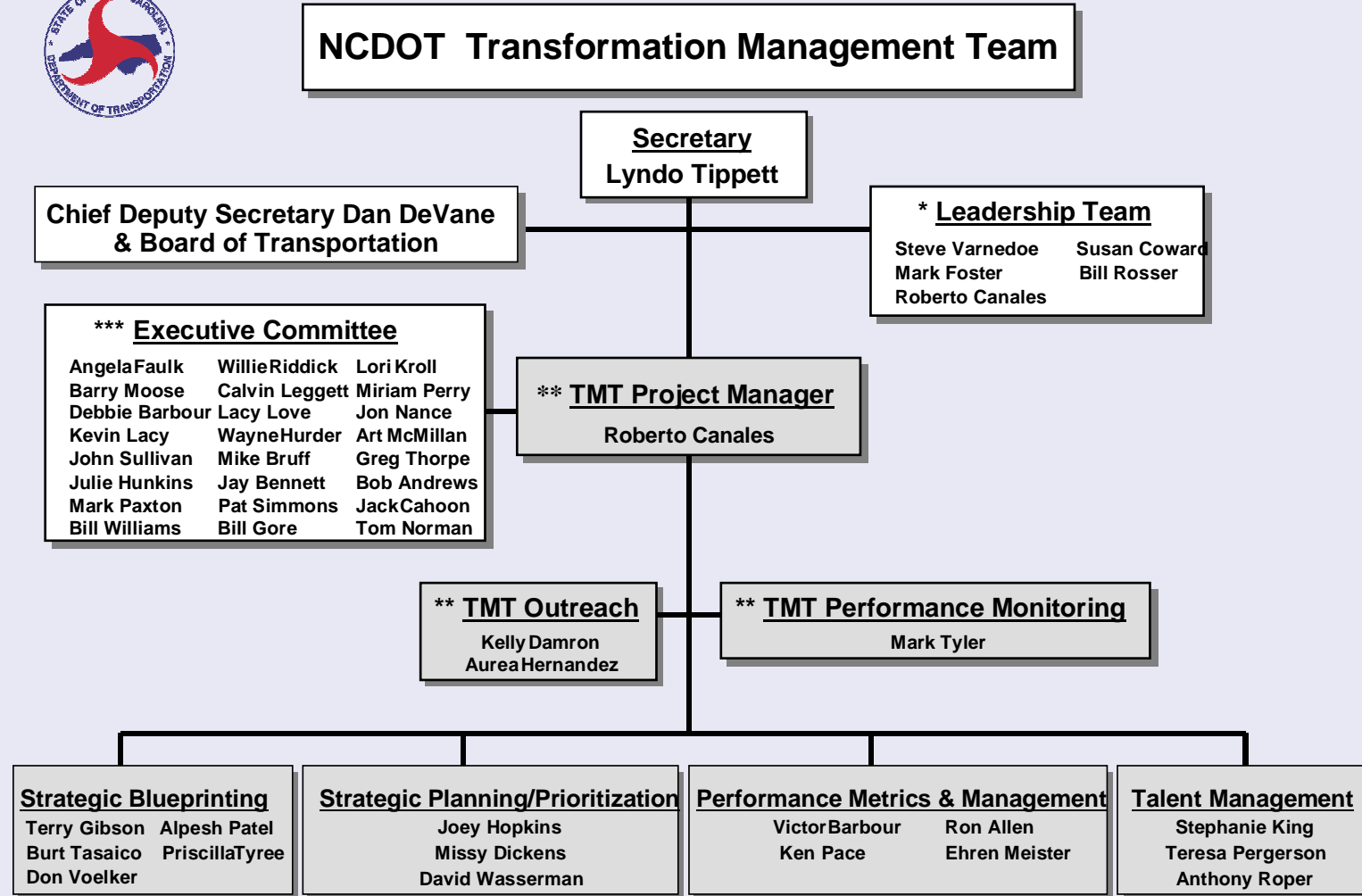
System Expansion

- 11 New Highways, Additional Lanes & Urban Loops
- 12 Public Transportation
- 13 Passenger Rail
- 14 Freight Rail
- 15 Ferries

Bubble size
indicates
funding level
under
recommended
investment
scenario

Emphasis on
spending for
current needs
at the expense
of longer-term
needs


NCDOT Transformation Management Team



* Leadership Team: Meets Weekly to Support, Review, Offer Comments and Guidance (5)

** TMT Project Office: Manages Day to Day Activities of the TMT (19)

*** Executive Committee: Meets at Milestones to Review Ideas and Offer Feedback (24)

 Denotes Full Time TMT

10/15/07

Five Key Transformation Initiatives

Strategic Direction

- Define common **Mission** and **Goals** for the NCDOT
- Determine the appropriate **scope of activities** for NCDOT
- Identify potential opportunities for new sources of **funds**
- Evaluate possible **organizational changes** to reach strategic goals

Planning and Prioritization

- Establish a **Strategic Planning Office**
- Develop **strategic plan** that aligns with Mission and Goals
- Establish a new **prioritization approach** based on strategic priorities

Program and Project Delivery

- Develop and implement enhanced **program and project delivery** models and processes

Performance and Accountability

- Implement a public facing **Executive Dashboard** that is aligned with the mission and goals
- Introduction of a **performance based culture** that cascades performance metrics throughout the organization

Improved Human Resource Management

- Design a **rigorous performance review** process tied to performance metrics
- Design a process for **leadership planning**
- Make high level recommendations on **employee recruitment, development and retention**

Strategic Direction

Align Strategic Direction with New Mission and Goals

Accomplishments to Date

- ✓ New Mission & Goals and Values
- ✓ Strategic Leadership Roles Identified
- ✓ Organization Assessment Approach Identified and Plan Developed
- ✓ Alternative Funding Recommendations Developed
- ✓ Streamlined Project and Programs Delivery Models Identified

Activities Underway

- Establish Appropriate Strategic Leadership Roles / Positions
- Complete a Comprehensive Organizational Assessment of All Business Units:
 - Mission
 - End Products
 - Activities
 - Efficiencies
- Recommend Strategic Organizational Changes
- Actively Participate in Development of Statewide Logistics Plan

Mission & Goals and Values

NCDOT

OUR MISSION

*"Connecting people and places
in North Carolina – safely and
efficiently, with accountability
and environmental sensitivity"*

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



OUR VALUES

SAFETY - We strive for safety throughout our transportation networks as well as in our work and our daily lives

CUSTOMER SERVICE - We respond to our customers, both internal and external, in an open, professional and timely manner

INTEGRITY - We earn and maintain trust by responsibly managing the states assets, acting ethically, and holding ourselves accountable for our actions

DIVERSITY - We draw strength from our differences and work together in a spirit of teamwork and mutual respect

QUALITY - We pursue excellence in delivering our projects, programs, services and initiatives in an environmentally sensitive manner

Goal: Thorough Assessment of all Business Units and Activities

Activities Underway

Efficiency-based Organization Design

- Addressing Repetitive Functions
- Improving Cost Effectiveness By, E.G., Outsourcing or Devolving Activities
- De-layering the Organization (Vertically and Horizontally)
- Tightening Spans of Control Within Organization
- Aligning Resource Levels With Levels of Work

- **Effectiveness-based Organization Design**

- Map Major Functions of Organization
- Identify Interdependencies, Coordination Points, and Mutual Accountabilities to the Branch Level
- Review Other Organization Structures to Develop a Set of Organization Design Choices to Accommodate Linkages

Next Steps

- Assess Results
- Make Long Term Organizational Changes

Accomplishments to Date

- ✓ Identified the Need for a Strategic Planning Office
- ✓ Advertised Position for a Strategic Planning Director
- ✓ Developed Stakeholder Involvement Recommendations
- ✓ Developed a Conceptual Strategic Planning and Prioritization Process

Next Steps

- Hire a Strategic Planning Director
- Establish Strategic Planning Office
- Communicate Conceptual Strategic Planning and Prioritization Processes to Key Stakeholders
- Train Departmental Leaders and Stakeholders on the New Strategic Prioritization Process
- Pilot Annual Action Planning Process

Strategic Planning Office for Transportation (SPOT)

- What do they do?
 - Drive planning process
 - Provide analysis of external environment and internal capabilities
 - Provide information and recommendations on DOT priorities
 - Collect, maintain, update and benchmark external environment data and best practices
- Who are they?
 - New unit that reports to Deputy Secretary of Intergovernmental Affairs and Budget Coordination
 - Interviews begin this week for manager position

Strategic Management Committee (SMC)

- What do they do?
 - Establish top-down guidance by reviewing vision, mission, goals, objectives, targets
 - Provide a “one-department” focus
 - Provide checks and balances guiding the planning process
 - Communicate strategy internally & externally
- Who are they?
 - Secretary, CFO, Deputy Secretaries, State Highway Administrator, Chief Information Officer, DMV Commissioner, Human Resources Director, FHWA
 - Up to two NCDOT employees (TEM 1 or above) participate on committee on a rotating basis

NCDOT'S Strategic Planning Design Principles

Monitor, Evaluate and Adjust Using Performance Metrics



Process	Set Strategic Direction	Develop Strategic Prioritization	Create Action Plans
Target	<ul style="list-style-type: none"> • Department-wide 	<ul style="list-style-type: none"> • Department & BU-wide 	<ul style="list-style-type: none"> • Business Unit - wide & individual employee
Activities	<ul style="list-style-type: none"> • Collect a credible, robust fact-base to guide decision-making • Set vision, mission, goals, and objectives • Refresh strategy to reflect new assumptions and changes to context • Develop Strategic Plan • Statewide plan 	<ul style="list-style-type: none"> • Update Strategic Plan • Develop BU Strategic Plan • Develop a compelling set of strategic options (i.e., articulating where and how to operate) • Prioritize those strategic options (e.g., by quantifying impact, estimating timing and assessing risks) • STIP/Budget request 	<ul style="list-style-type: none"> • Identify action items & owners • Build linkages with the budgeting cycle and talent review cycle to deploy appropriate resources and the best people against priority initiatives
Frequency	<ul style="list-style-type: none"> • Every 8 years 	<ul style="list-style-type: none"> • Every 2 years 	<ul style="list-style-type: none"> • Every year
Outlook	<ul style="list-style-type: none"> • 30 years 	<ul style="list-style-type: none"> • 5-10 years 	<ul style="list-style-type: none"> • 1-2 years
Starts	<ul style="list-style-type: none"> • At change of administration 	<ul style="list-style-type: none"> • Summer of odd years 	<ul style="list-style-type: none"> • Beginning of calendar year
Duration	<ul style="list-style-type: none"> • ~8 months 	<ul style="list-style-type: none"> • ~6 months 	<ul style="list-style-type: none"> • ~6 months
Overarching Principles	<ul style="list-style-type: none"> • Forward looking, long-term • Top-down 	<ul style="list-style-type: none"> • Bottom Up in response to aspiration & objectives from above • Medium term • Opportunity to define performance challenges 	<ul style="list-style-type: none"> • Bottoms up, short term • Plans defined • Metrics used to assess performance

NCDOT'S Strategic Planning Design Principles

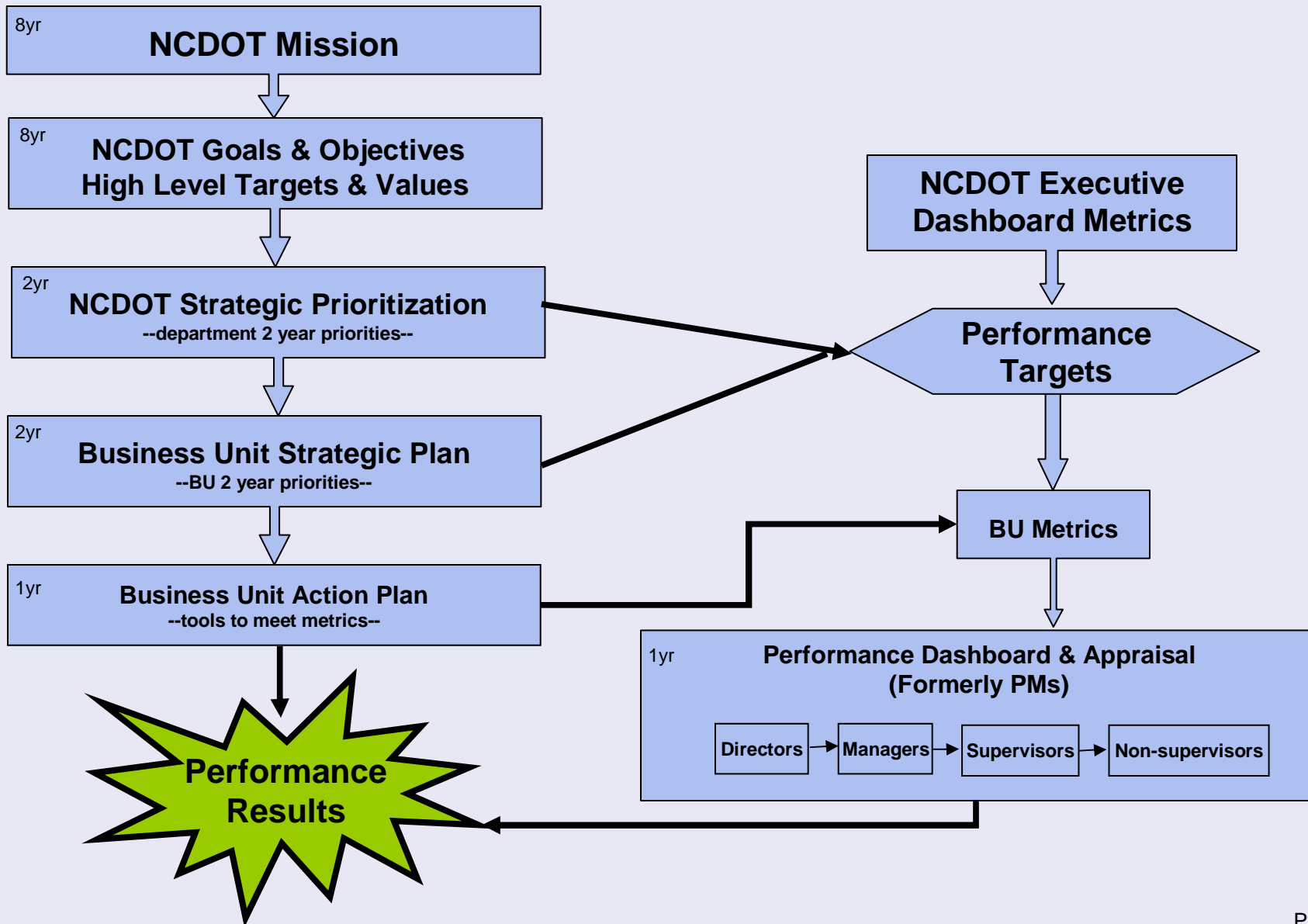
Monitor, Evaluate and Adjust Using Performance Metrics



Transition/Proposed Planning Process

	Strategic Direction (8 yr)	Strategic Prioritization (2 yr)	Annual Planning (1 yr)
Transition Calendar	<ul style="list-style-type: none"> • Abbreviated process started Fall 2007 • Strategic Plan output of TMT 	<ul style="list-style-type: none"> • Starts Summer 2008 • 1 year early for learning curve 	<ul style="list-style-type: none"> • Annual Planning (1 yr) • Validation December 2007 • Launch January 2008
Proposed Calendar	<ul style="list-style-type: none"> • Starts a few months into new Administration • Spring 2009 	<ul style="list-style-type: none"> • Strategic Prioritization (2 yr) • Starts Summer of every odd year • Summer 2009 	<ul style="list-style-type: none"> • Starts Spring of every year • Spring 2008

NCDOT Performance Metrics Relationship Chart



Streamlined Program and Project Delivery

Goal: Develop more efficient and effective business processes

Workstreams

- Bridge Program
- TIP Projects
- Mobility Program
- Agreements
- Document Reproduction
- Information Technology
- Office of Inspector General
- Pavement Management
- Centralized Consultant Service Acquisition
- Office of Program/Project Delivery

Process

- Analyze
- Recommend
- Implement

Goal: Improve condition of our bridges and make our investment go farther

Challenges

- 8000 (+/-) Bridges Eligible for Replacement in Next 20 Years Due to Age and Condition; 4300 Timber Bridges 30-50 years old today
- Limited Bridge Funding
- Construction Inflation
- Regulatory Agency Requirements / Agreements
- Coordination Between Business Units
- Lengthy Project Development Process

Recommendations

- Develop a Budget Based Bridge Program (Preconstruction, Construction and Maintenance)
- Develop “Tier Appropriate” Bridge Standards
- Develop Long Term Maintenance, Preservation and Rehabilitation Strategies (Performance Standards)
- Streamline Planning, Permitting, Design and Construction Process
- Develop a Multiple Unit Coordination Approach

Goal: Improve condition of our bridges and make our investment go farther

Next Steps

- Create Central & Division Bridge Managers
- Divisions to manage bridge projects on Sub-Regional Tier
- Streamline Replacement Process and Reduce Costs by
 - On-site scoping meetings
 - Group projects
 - Accelerated construction
 - Contracting incentives
- Regionalize Preconstruction Functions
- Implement Subregional Tier Design Standards
- Mandatory On-Site Scoping Meetings for all Projects

Challenges

- Improve project delivery rate
- Improve communications within NCDOT
 - Across Organization
 - Across Geography

Recommendations

- Implement Pilot Management models
- Implement Tri-Technical Managers
- Establish Office of Program/Project Delivery
- Create Project Management Executives
- Create Division ROW / Utility Coordinators
- 2 Part TIP
 - Development
 - Delivery
- Create Project Delivery Streamlining Committee

Goal: Improve mobility, with a focus on System Operations

Challenges

- Not currently measuring mobility
- Not routinely using innovative approaches to improving mobility
- Planning and resourcing for “operating the system” is not institutionalized
- Culture thinks of “Projects” not “Network”

Recommendations

- Define and measure mobility
- Develop and use greater inventory of tools to improve mobility
- Address Systems Management “function”
- Reassess process to address mobility needs
 - ◇ problem definition
 - ◇ multi-modal solutions
 - ◇ consider
 - * System Operations
 - * Demand Management
 - * Capacity Increases

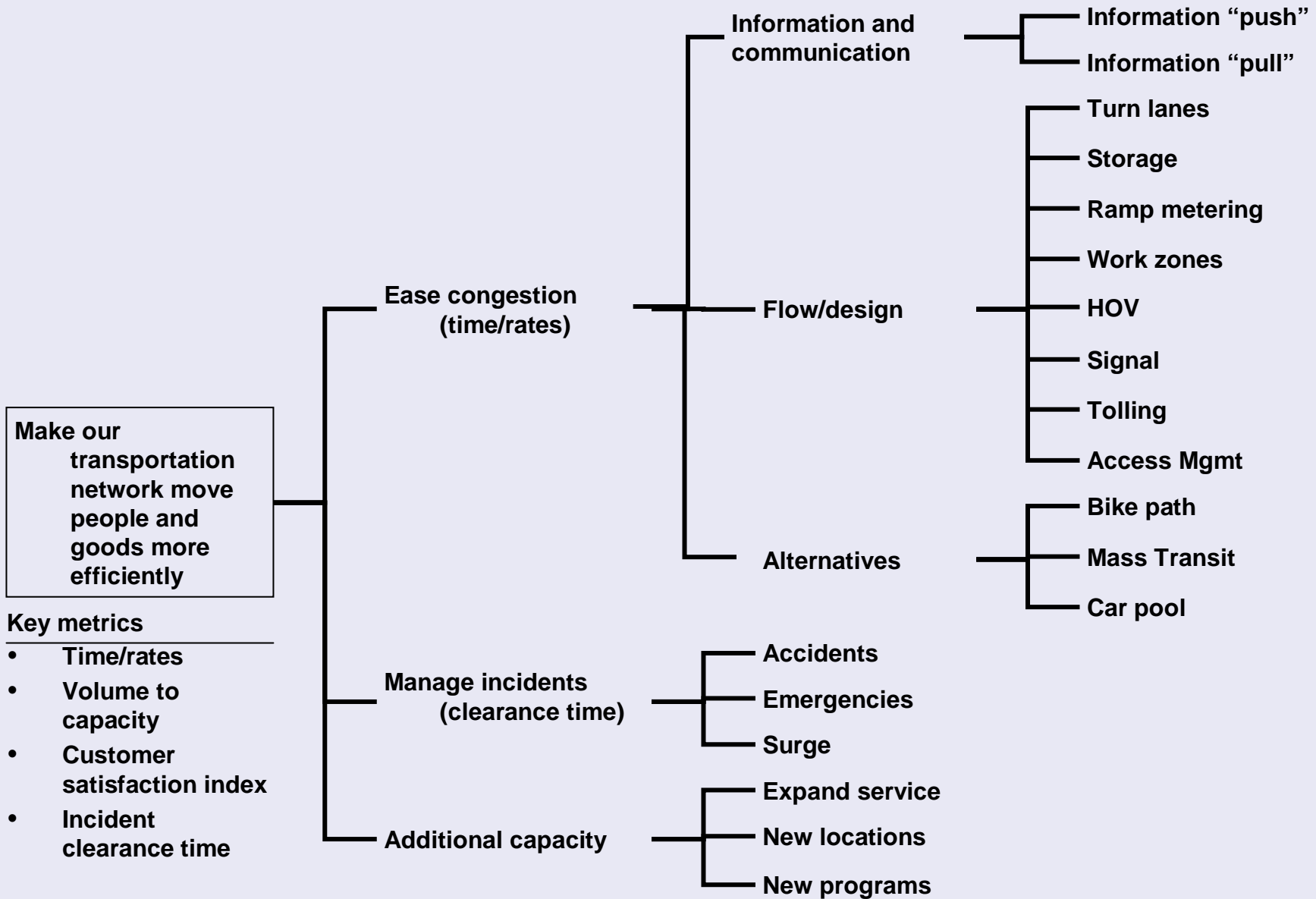
Accomplishments to Date

- ✓ Developed NCDOT's **Value Tree** Based on Department's New Mission and Goals
- ✓ Developed **Key Performance Indicators** That Align With New Mission and Goals
- ✓ Developed Performance **Metrics** for Department Leaders That Align With New Mission and Goals
- ✓ Implemented Performance Based Management **Targets** for NCDOT Maintenance and Operations Across the 14 Divisions
 - Aligns With the Goals to Make Our Infrastructure Last Longer
- ✓ Developed a Preliminary **Executive Dashboard** and Published on NCDOT Web Site

Activities Underway

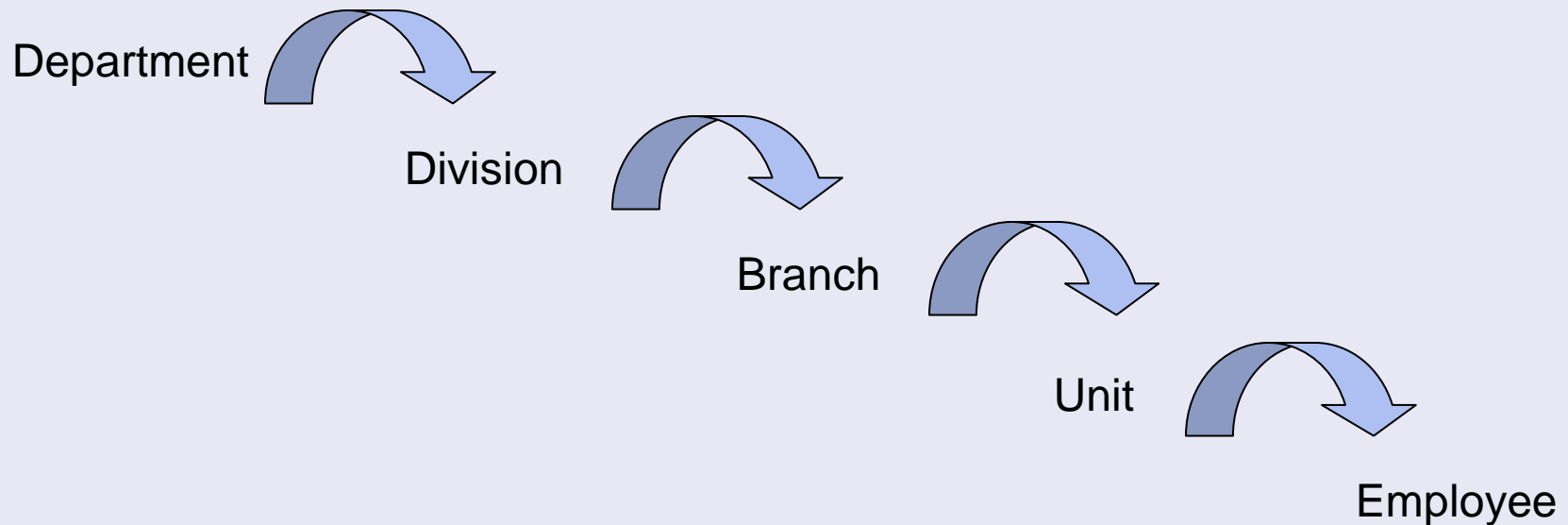
- Develop Performance Targets for All Goals
- Develop Performance Metrics for All NCDOT Employees
- Educate All Employees on New Performance Culture
- Develop a Robust Executive Dashboard That Will Show Progress Towards Accomplishing Performance Outcomes

MAKE OUR TRANSPORTATION NETWORK MOVE PEOPLE AND GOODS MORE EFFICIENTLY



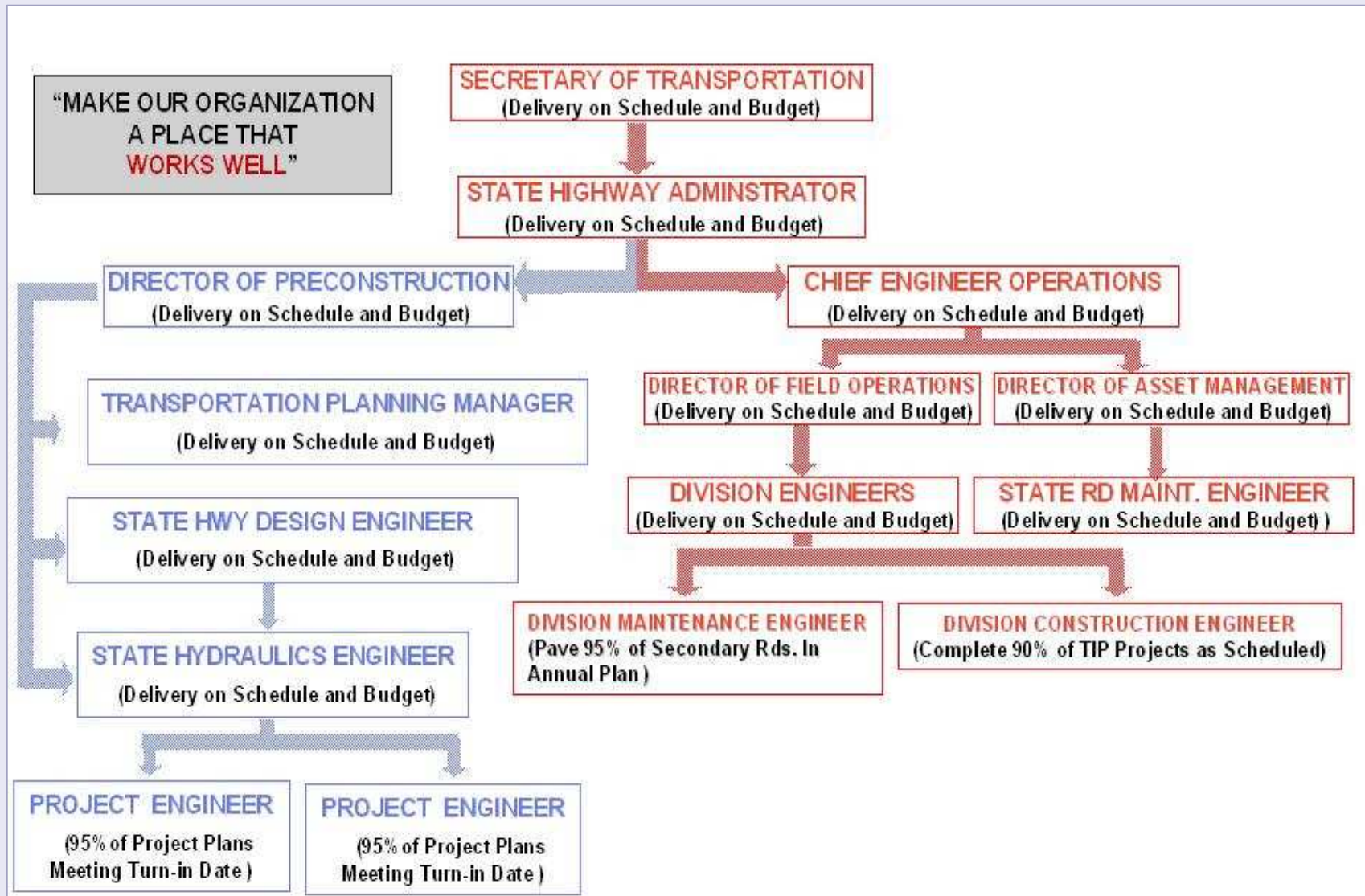
Performance Metrics: Basics

- Measure either a process or a result
- Used to establish organizational goals
- Gauge performance throughout organization



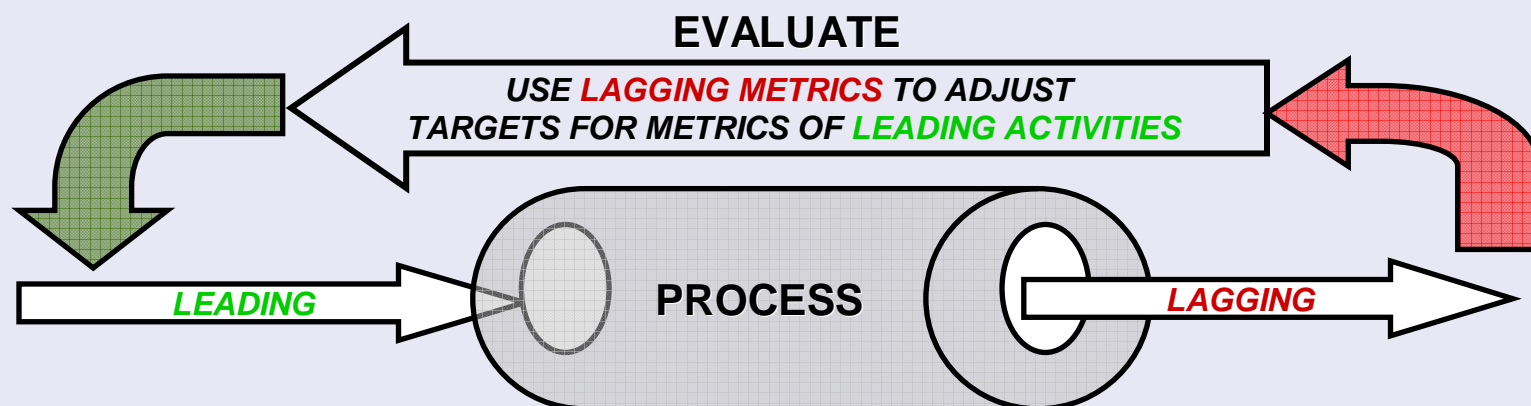
“You can’t manage something you can’t measure.”

Example Cascading Metrics for **WORKS WELL**

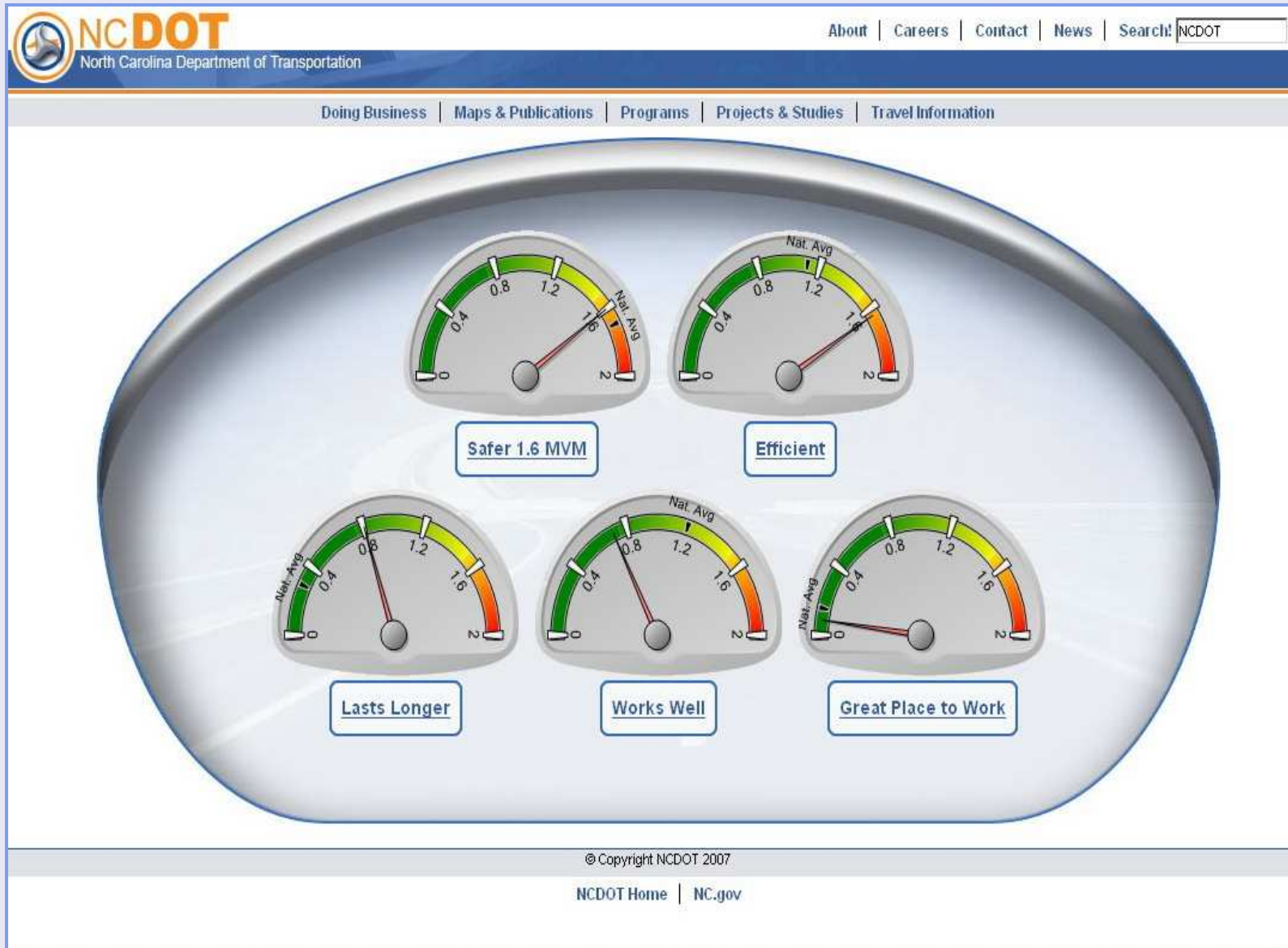


Metrics: Leading vs. Lagging

LEADING INDICATORS (Inputs)	LAGGING INDICATORS (Outcomes)
<p>Leading Indicators are metrics that are task specific</p> <p>Leading Indicators measure and track performance before a problem arises</p> <p>Leading Indicators are <u>proactive</u></p> <p>Leading Indicators indicate what may happen (future)</p> <p>Leading Indicators are a predictor to the ability to meet future goals</p>	<p>Lagging Indicators are <u>reactive</u></p> <p>Lagging Indicators are reflective and measure performance against prior goals</p> <p>Lagging Indicators indicate what has already happened (past)</p>



NCDOT Performance Dashboard - Ultimate



NCDOT Performance Dashboard - Interim

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[DMV](#)

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[Highways](#)

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[Rail](#)

Programs »

NCDOT Organizational Performance Dashboard

[Mission](#)

[Goals](#)



Highlights:

- Check back for updates to this website. The next phase includes a series of Dashboards that report the DOT's performance in meeting our goals.
-  [Laying the Foundation for a Successful Transformation](#), McKinsey & Company
-  [NCDOT Transformation Progress Report](#)
-  [NCDOT Transformation Update for Joint Legislative Transportation Oversight Committee](#)
- For questions / comments regarding the NCDOT Dashboard please [Contact Us](#).

Mission:

Connecting people and places in North Carolina - safely and efficiently, with accountability and environmental sensitivity.

Goals:

- Make our transportation network *safer***
 -  [5 Year Crash Fatality Statistics](#)
 -  [Fatality Information \(Crash Report\)](#)
- Make our transportation network move people and goods more *efficiently***
 -  [Congestion Areas](#)
 - [Strategic Highway Corridors](#)
 - [Travel Information \(TIMS\)](#)
- Make our infrastructure *last longer***
 -  [Executive Summary Report, 2006](#)
 - [Full Maintenance Condition Report](#)
- Make our organization a place that *works well***
 - [Continuous Process Improvement Program \(CPI\)](#)
 - [Construction Progress Report](#)
 -  [Money Spent on Construction Projects, 2007](#)
- Make our organization a *great place* to work**
 - [Current Job Postings](#)
 - [Employee Newsletter, In the Loop](#)

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Click the map for regional information or



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Making Metrics Personal

CHIEF ENGINEER OPERATIONS

	Metrics	Definition of measure/Comments
"Make our transportation network safer"	<ul style="list-style-type: none"> Crash Rates (Fatal and Severe & Moderate Injuries) 	<ul style="list-style-type: none"> % improvement of crash rates by tiers involving fatalities and serious & moderate injuries compared to statewide baseline
"Make our transportation network move people and goods more efficiently"	<ul style="list-style-type: none"> Reliability on the System Strategic Highway Corridors and Regional Tier routes 	<ul style="list-style-type: none"> Average operating speeds on Strategic Highway Corridors (SHC) Travel time reliability- standard deviation of avg. commuter time in selected urban areas Congestion (Level of Service)
"Make our infrastructure last longer"	<ul style="list-style-type: none"> Statewide Infrastructure Health 	<ul style="list-style-type: none"> Cumulative Statewide Rating (Level of Service Rating)
"Make our organization a place that works well"	<ul style="list-style-type: none"> Delivery on Schedule and Budget Business Development & Outreach Customer Service Fiscal Management 	<ul style="list-style-type: none"> % of projects managed, administered, constructed on schedule and on budget (Planned vs. Actual) % of solicitations sent to, % of bids received from, & % of contract dollars awarded to DBEs, MBEs, WBEs, SBEs, & HUBs Customer survey scores (public, partners, etc.) % improvement of existing overhead and program budget
"Make our organization a great place to work"	<ul style="list-style-type: none"> Employee Safety Employee Satisfaction Recruiting, developing and retaining employees 	<ul style="list-style-type: none"> Number of incidents, lost work days, worker's comp claims Employee satisfaction survey composite score Retention rate of "Top Performers" and/or stabilization rate

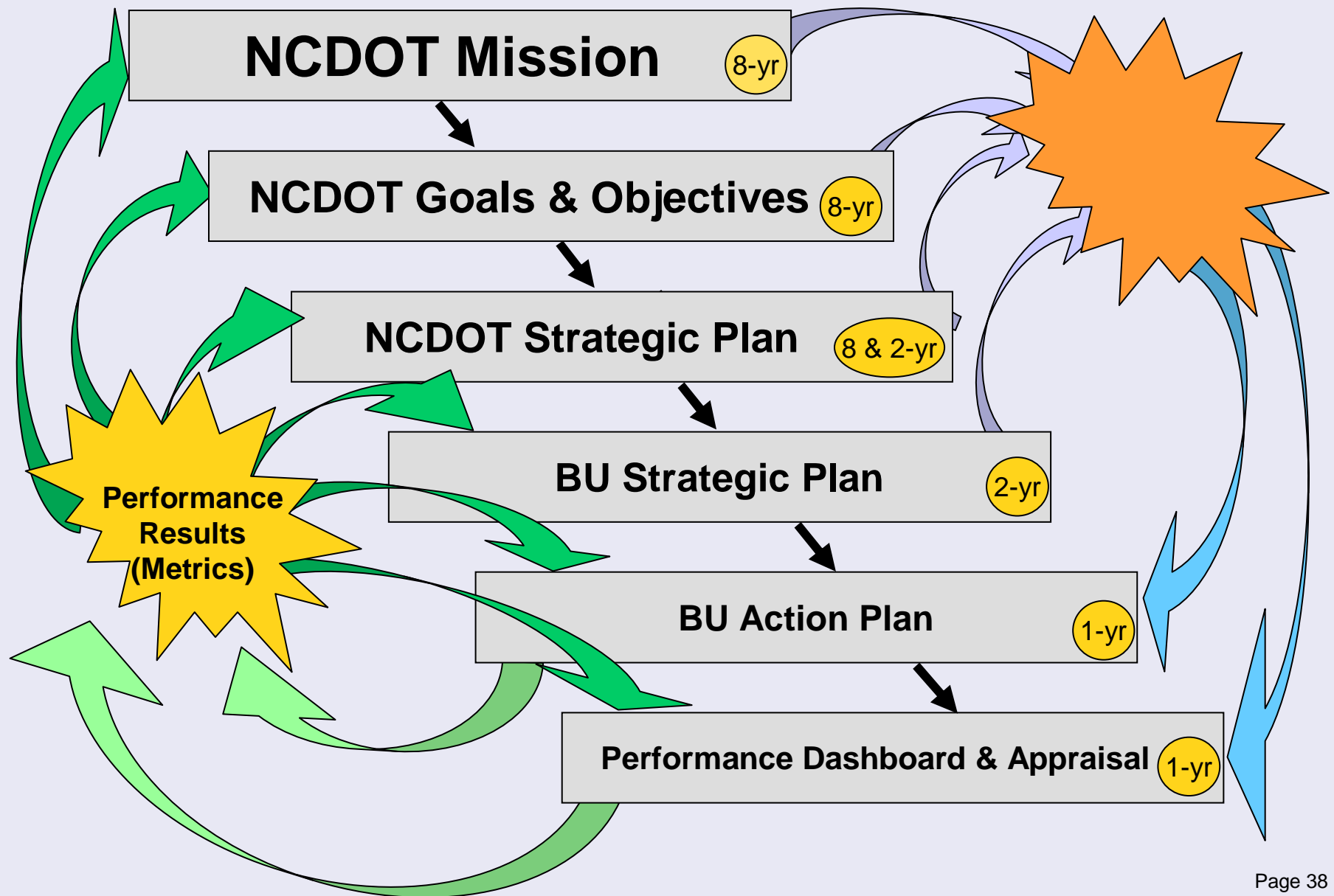
Making Metrics Personal

GUIDE FOR DASHBOARD SCORECARD

FOR USE IN PERFORMANCE REVIEW MEETINGS

Metric	Metric Data	Target	Data Source	Wt (%)
Crash Rates (Fatal, Severe & Moderate Injuries)	<i>Fatalities per 100 million vehicle miles; i.e. 1.58...this will be compared against a baseline TBD (% improvement) Injury Rate needed?</i>		<i>Traffic Engineering Branch</i>	
Reliability of Strategic Highway Corridor System	<i>-Average operating speeds on Strategic Highway Corridors (SHC) -Travel time reliability - Congestion (Level of Service)</i>		<i>Transportation Planning Branch</i>	
Statewide Infrastructure Health	<i>Composite Statewide Rating (Level of Service Rating)</i>		<i>Asset Management -Maintenance Condition Reports</i>	
Delivery on Schedule and within Budget	<i># of projects/programs planned for year divided by # actual completed = % success rate</i>		<i>Program Development report from STaRS and / or BW, HICAMS</i>	
Business Development & Outreach	<i>% Contract dollars awarded to DBE's, MBEs, WBEs, SBEs, & HUBs,</i>		<i>SAP</i>	
Customer Service	<i>Customer Survey Scores</i>		<i>TBD</i>	
Fiscal Management	<i>% Improvement in Overhead and Program Budget</i>		<i>TBD</i>	
Employee Safety	<i># of reported incidents that cause lost work days and / or worker's comp claims compared to baseline, i.e. previous year(s) reported incidents</i>		<i>Safety & Loss Control</i>	
Employee Satisfaction	<i>TBD</i>		<i>Employee Survey</i>	
Recruiting, developing and retaining employees	<i>- % retention of employees that continuously meet or exceed expectations on their PM's - Overall % of employees retained at the end of cycle vs. # of employees at beginning of cycle. (Retirement or positive movement within the Dept. does not negatively affect rating)</i>		<i>TBD</i>	

A Performance Based NCDOT



Accomplishments to Date

- ✓ Completed Assessment of Current Personnel Practices and Developed Recommendations
- ✓ Developed Leadership Development System to Recruit, Develop and Retain Leadership Talent
- ✓ Developed Listing of “Core Values” for NCDOT
- ✓ Developed Performance Management System in Conjunction With Office of State Personnel
 - Includes Quantifiable Performance Metrics Assessment
 - Includes “Value Statement” Assessment
 - Includes Leadership Development Assessment
 - Includes Consequence Management Guidance
- ✓ Identified Need for Succession Planning

Activities Underway - NCDOT Internal

- Pilot New Performance Management System With Departmental Leaders (Jan 08)
- Train and Implement New Performance Management System for All NCDOT Employees (2008)
- Develop and Implement a Mentoring Program Throughout the Organization
- Develop Career Planning System for All Employees (Technical, Functional, Managerial)
- Evaluate the Training and Development Needs of NCDOT Employees

Improved Human Resource Management

AREAS FOR OSP AND NCDOT COLLABORATION

Recommendation	Approach	Proposed team launch	TMT lead	NCDOT HR lead	Lead OSP advisor	Ideal number of additional OSP team members*
Talent Strategy & Workforce Planning	Outline of framework and resources needed	October	Stephanie King	A Fanelli H Dickens	<i>Gerry Fisher</i> <i>Sharon Howard</i>	
Revise hiring practices	High-level policy rec and implementation oversight	November	Teresa Pergerson	A Fanelli A Simmons	Kassia Elliott DMV & Div Eng	
Define and improve EVP	High-level policy rec and implementation oversight	September	Stephanie King	H Dickens T Gilbert	Sharon Howard	
Revamp performance review	Design and implement in collaboration with OSP	August	T. Pergerson V. Barbour	P Broadhurst A Fanelli	Lynn Summers	
Revamp training program	High-level policy rec and implementation oversight	January	Anthony Roper	Bev Saylor	Ann Cobb	Others as needed
Develop employee career tracks	Policy recommendation; design in collaboration	November	Anthony Roper	H Dickens A Fanelli	Janice McIntyre	~1
Develop leadership planning	Design and implement in collaboration	August	Anthony Roper	P Bickham M Dail	Gary Wiggins	L Summers Kathleen Murphy
Institute priority quick wins	Develop and implement policy recommendations	August	Stephanie King	A Faulk	N/A	N/A

Improved Human Resource Management

TMT Workgroups

Recommendation	Approach	Proposed team launch	TMT Lead	NCDOT Leads	Lead Advisor
Employee Engagement Survey	Outline of framework and resources needed	October	<i>V Barbour Jeff Roerden</i>	<i>Barry Bridges Doug Cox</i>	<i>Terry Hall - OSP</i>
Recruitment Proposal	High-level policy rec and implementation oversight	October	<i>S King Jeff Roerden</i>	<i>D Keel A Olive T Gilbert M Hilderbran J Merricks</i>	<i>Kassia Elliott</i>
Improve Employee Orientation	High-level policy rec and implementation oversight	October	<i>S King Jeff Roerden</i>	<i>R Hicks T. Gilbert H McLamb R Stanley Sandy Tharrington M Hilderbran</i>	

NCDOT Transformation

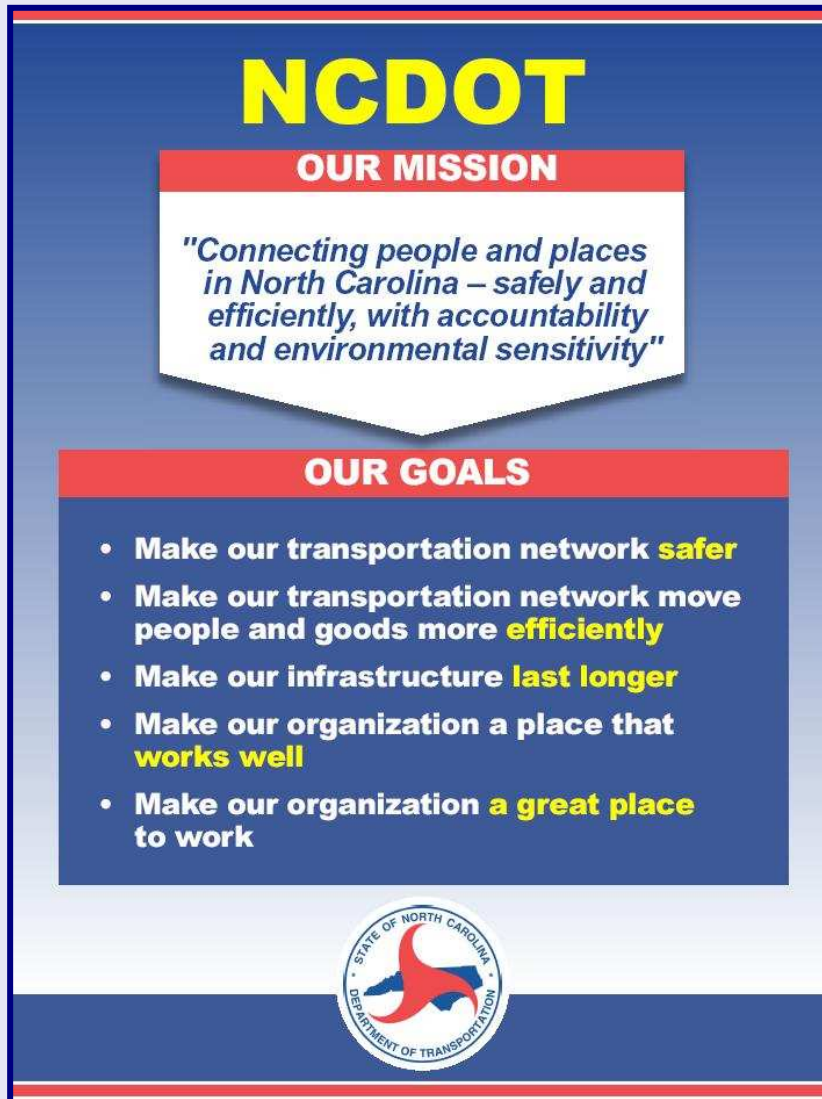
Theme

“Making a Good Organization Work Better by Unleashing the Potential of our Workforce”

Summary

- Real challenges...great skills and attitudes
- Change is scary...we rise to meet clear goals
- Our customers have opinions of our performance
 - Local Governments - Media
 - Legislature - Public
- Culture Shift ... prioritization, metrics, employee development
- Faith in Government...Faith in Employees... Faith in NCDOT

It all comes back to....




NCDOT

OUR MISSION

"Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity"

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



The graphic is a vertical rectangle with a blue background and red and white horizontal stripes at the top and bottom. It contains the NCDOT logo at the top, followed by a red banner with 'OUR MISSION' in white. Below this is a white box with the mission statement in blue italics. Another red banner with 'OUR GOALS' in white follows, leading to a blue box with five white bullet points. At the bottom is the official seal of the North Carolina Department of Transportation.

- Working Together for a Common Purpose
- Respecting Each Others Contributions
- Fulfilling our role in “Connecting People and Places in North Carolina”

Shared & Cascading Metrics Breakout

- Goal: Identify how your business unit's work contributes to meeting DOT's mission and goals
- Approach
 - Look at supervisors' "metrics"
 - Identify other "business units" that share these metrics
 - Identify work tasks that contribute to meeting metrics
 - ◇ For you and your staff
 - ◇ What are they?
 - ◇ How do you measure them?

Exercise

1. List the metrics identified on your supervisor's metrics sheet, based on the specific goal provided to your table (10 minutes).

Exercise

1. List the metrics identified on your supervisor's metrics sheet, based on the specific goal provided to your table.
2. Across your breakout group identify the common metrics and the Units they are common with.
(5 minutes)

Exercise

1. List the metrics identified on your supervisor's metrics sheet, based on the specific goal provided to your table.
2. Across your breakout group identify the common metrics and the Units they are common with.
3. Across your breakout group identify specific job responsibilities that are directly related to these common metrics. (15 minutes)

Exercise

1. List the metrics identified on your supervisor's metrics sheet, based on the specific goal provided to your table.
2. Across your breakout group identify the common metrics and the Units they are common with.
3. Across your breakout group identify specific job responsibilities that are directly related to these common metrics.
4. Are these metrics or job responsibilities already being measured? If yes, where or how? If not, what is the best way to measure them? (15 minutes)

Exercise

1. List the metrics identified on your supervisor's metrics sheet, based on the specific goal provided to your table.
2. Across your breakout group identify the common metrics and the Units they are common with.
3. Across your breakout group identify specific job responsibilities that are directly related to these common metrics.
4. Are these metrics or job responsibilities already being measured? If yes, where or how? If not, what is the best way to measure them?
5. Identify components directly related to the metrics previously discussed that could be used as metrics for your subordinates. (15 minutes)

TMT Presentation at Ops Staff Mtg

1/8/07, 8:15 – 10:00 AM

Chief Engineer's Conference Room, Beryl Road

Executive Committee also invited

- MPO Leader Outreach, SPOT Manager & Prioritization
- Q&A Sessions with Secretary
- Employee Engagement Survey
- Additional Workstreams
- Results-Based Performance Management
- TIP and Bridge Workstreams
- Questions

February TMT Updates

Operations Staff Mtg

Feb. 5, 2008

Topics

- Intro = Anthony Roper
 - Allow Stephanie/Teresa to mention
 - PDA Rating Scale – due date for comments
 - PDA/Metrics/Action Plan/ Top 118 & 42 List
- Prioritization – David Wasserman
- NC MIN Designation – David Wasserman
- SPOT – Don Voelker
- Dashboard Update – Ken Pace
- Orientation & Recruitment – Jeff Roerden

TMT Agenda Items for

June Operations Staff Meetings

- Dept. Budgeting Assessment – Terry Gibson
- “Like Metrics” Focus Group – Victor Barbour
- Exec Dashboard & Web Page Re-Design – Victor Barbour
- Q&A Update / TMT 101 – Kelly Damron
 - June 11 - Oversize/Overweight & Training & Development
 - June 26 - Division 3 & 6 (Tentative)
 - July 15 - Division 7&9
 - July 22 - Division 11
 - August 27 - Division 4&5
 - September 10 - Division 10&12
 - September 18 - Division 1&2 ???

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Executive Committee Update



TMT Briefing Document
July 12th, 2007

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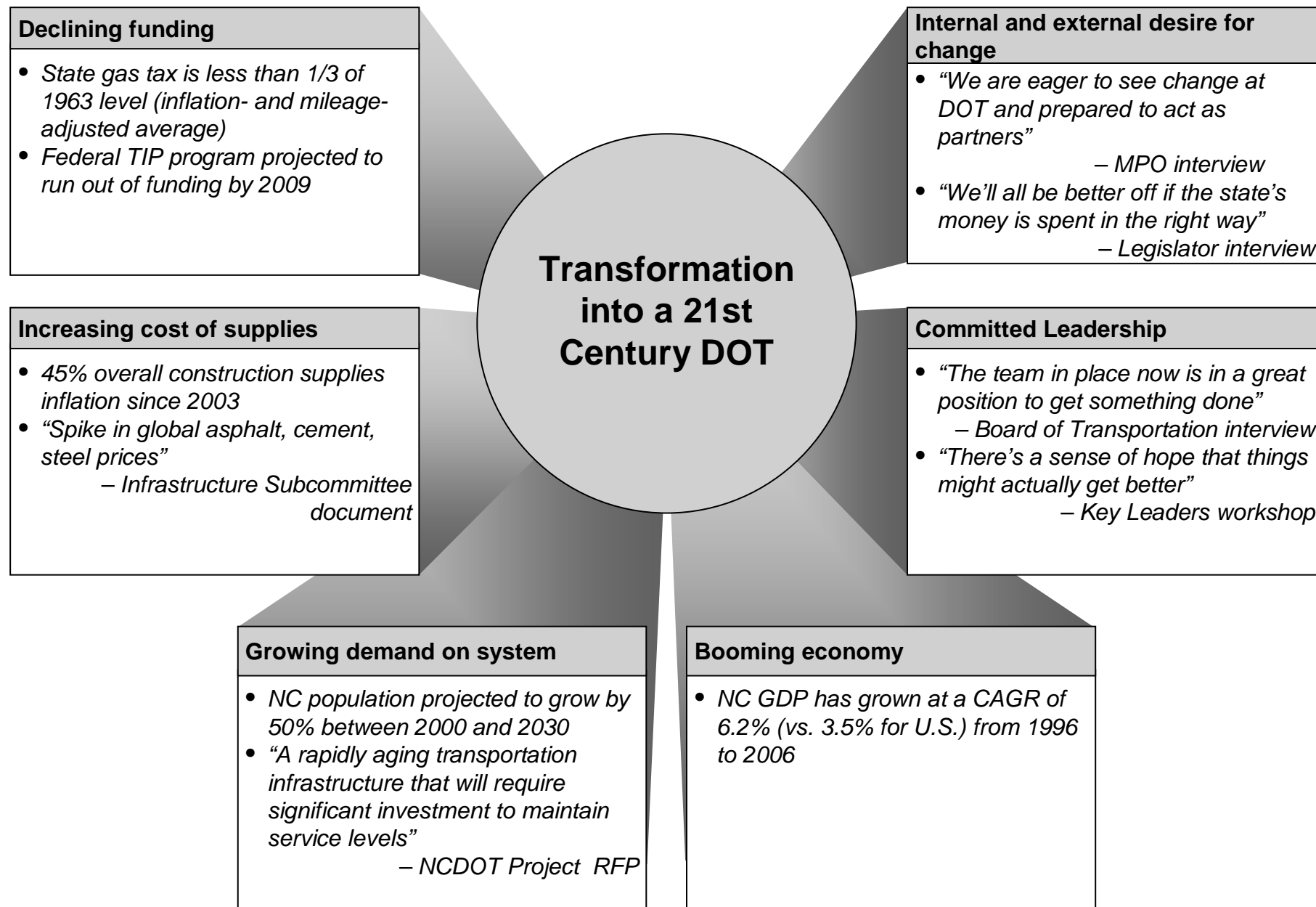
TODAY'S AGENDA

- Introduce TMT and its objectives
 - Review of vision and goals
 - Answer questions and discuss next steps
-

WHY IS NCDOT LAUNCHING A TRANSFORMATION MANAGEMENT TEAM

- Secretary Tippet and his executive team determined that the challenges and opportunities facing the NCDOT required a proactive response
- As a first step, NCDOT's leadership called for an outside-in assessment– a diagnostic– of its current strategy and organization
- The diagnostic concluded that NCDOT had significant opportunities to improve its service to North Carolinians. It also determined that NCDOT was at a strong starting point for transformation
- In response to the diagnostic and in consultation with its stakeholders, NCDOT's leadership determined it had a mandate for transformation and that immediate action was required
- The TMT has been launched to carry forward this mandate and move quickly to design and implement NCDOT's transformation

TIMING FOR PROACTIVE TRANSFORMATION IS IDEAL



OUR FINDINGS FROM THIS WORK

A strong starting point for transformation

1. Near-term budget stabilized
2. External stakeholders supportive of change
3. Key leaders committed to change
4. Technical skills necessary to deliver
5. Employees proud to serve, with a “can do attitude”

Significant opportunities to improve service to North Carolinians


1. Set clear direction by cascading an explicit vision and specific goals throughout the organization
2. Development of a more targeted and strategic portfolio of projects focused on those most critical to achieving the strategic vision and goals
3. Introduction of greater prioritization, accountability and coordination in core processes
4. Alignment of structure, systems and mindsets to achieve vision

THE POSSIBILITIES OF TRANSFORMATION

EXAMPLES

This transformation could...

- Create a transportation infrastructure that makes North Carolina the most attractive state in the Southeast for businesses and citizens
- Establish NCDOT's as a national model of efficient and effective government. E.g.,
 - Prioritize projects and initiatives based on strategic vision and goals
 - Shorten project delivery time
- Unlock the potential of thousands of NCDOT employees
 - Position NCDOT among the employers of choice in North Carolina
 - Create opportunities to grow strong leaders
 - Recognize outstanding performance
- Make NCDOT the most respected government agency in North Carolina



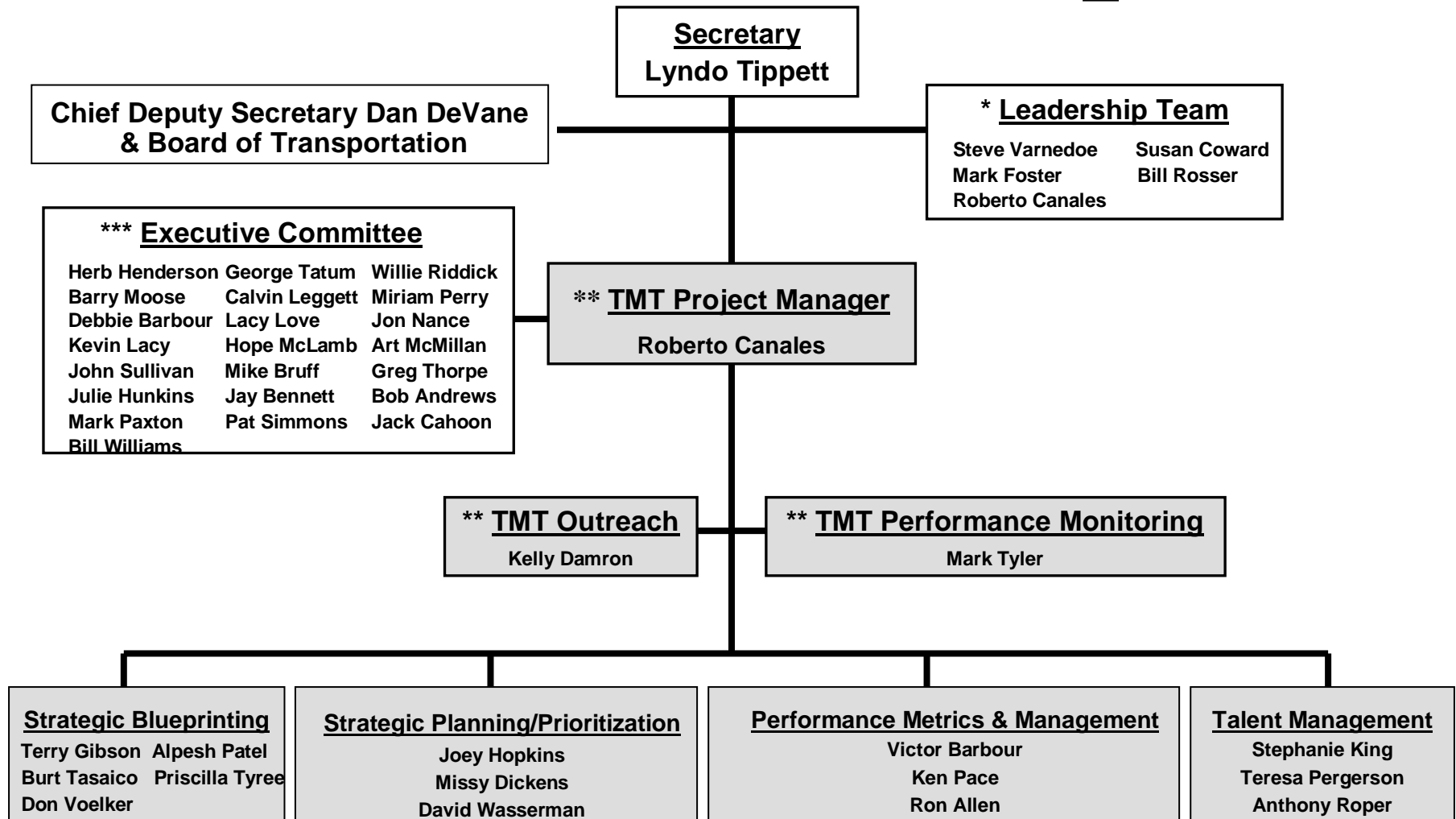
The TMT has a mandate to define and implement a program of initiatives to accomplish dramatic change

FIVE CORE CHANGE INITIATIVES FOR THE “FIRST WAVE” OF TRANSFORMATION

Change initiatives	Objectives
Strategic Blueprint	<ul style="list-style-type: none"> • Define common vision and goals for the NCDOT • Based on the vision and goals, determine the appropriate scope of activities for NCDOT • Create set of criteria for near-term prioritization of STIP projects • Identify potential opportunities for new sources of funds and changes to funding restrictions • Evaluate possible organizational changes to reach strategic goals, including defining key roles and responsibilities
Strategic Planning and Prioritization	<ul style="list-style-type: none"> • Design and roll out strategic planning and prioritization process that: <ul style="list-style-type: none"> – Allows NCDOT to create and annually refresh strategic plans based on its vision, goals, and evolving industry context – Gathers input from stakeholders in a systematic way, channeling political input to specific set of forums – Generates a transparent system for prioritizing projects
Performance Metrics and Management	<ul style="list-style-type: none"> • Design and roll out dashboard of high-level metrics tied to NCDOT vision and goals • Design process for reporting and managing to metrics • Design process for cascading of metrics throughout organization
Talent Management	<ul style="list-style-type: none"> • Design a rigorous performance review process tied to performance metrics • Design a process for succession and mobility planning • Make high level recommendations on talent value proposition, development/training
Information Management	<ul style="list-style-type: none"> • Share transformation information throughout NCDOT organization • Create proof-of-concept for lasting internal information sharing improvements

NCDOT TRANSFORMATION MANAGEMENT TEAM

□ Denotes Full Time TMT



* Leadership Team: Meets Weekly to Support, Review, Offer Comments and Guidance

** TMT Project Office: Manages Day to Day Activities of the TMT

7/2/07

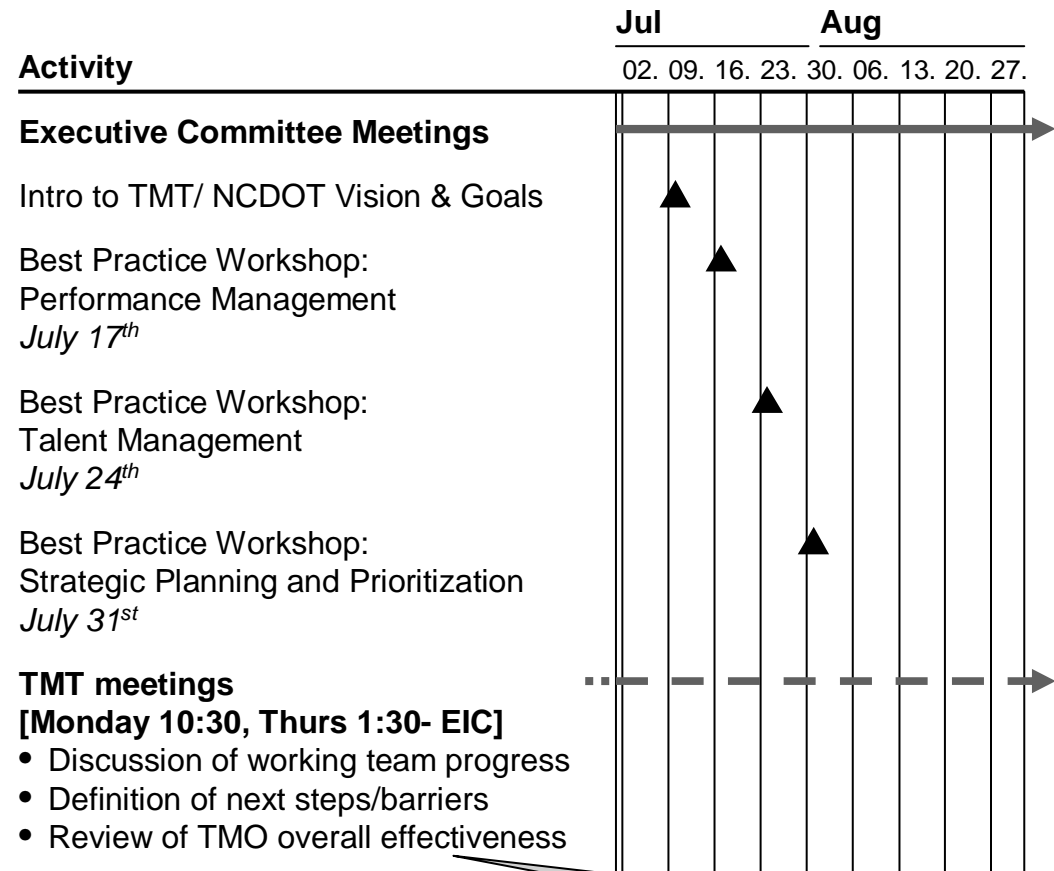
YOUR ROLE IN TRANSFORMATION– HOW THE EXECUTIVE COMMITTEE WILL WORK

Role of the Executive Committee

Executive Committee will:

- Meet regularly at key milestones to review progress and provide feedback
- Review and discuss best practice examples of transformation from the public and private sector
- Offer perspectives on the application of best practices to the NCDOT
- Serve as spokespeople for the transformation effort

Executive Committee Calendar



Executive Committee is invited at any time to join the TMT meetings

TODAY'S AGENDA

- Introduce TMT and its objectives
 - Review of vision and goals
 - Answer questions and discuss next steps
-

VISION AND GOAL STATEMENTS

Vision

NCDOT:

**Connecting people
and places in North
Carolina—safely and
efficiently,
with accountability
and environmental
sensitivity**

Goals

- Make our transportation network safer
- Make our transportation network move people and goods more efficiently
- Make our infrastructure last longer
- Make our organization a place that works well
- Make our organization a great place to work

TODAY'S AGENDA

-
- Introduce TMT and its objectives
 - Review of vision and goals
 - Answer questions and discuss next steps
-

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Executive Committee Update



July 31th, 2007

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WEEKLY UPDATE : Agenda

- Process Review - How we will implement change
- Role Definition and Clarification
- Recommended Executive Committee Involvement Schedule
- What We Need From the Executive Committee

PROCESS REVIEW - STEP 1

- **Step 1** - Secretary Tippet and his executive team determined that the challenges and opportunities facing the NCDOT required a proactive response
 - NCDOT's leadership called for an outside-in assessment– a diagnostic– of its current strategy and organization
 - The diagnostic concluded that NCDOT had significant opportunities to improve its service to North Carolinians. It also determined that NCDOT was at a strong starting point for transformation (see next slide)
- **Step 2** - In response to the diagnostic and in consultation with its stakeholders, NCDOT's leadership determined it had a mandate for transformation and that immediate action was required
 - The TMT has been launched to carry forward this mandate and move quickly to design and implement NCDOT's transformation
- **Step 3** - Make NCDOT a world-class Governmental Organization
 - Implement the recommended changes throughout the organization

PROCESS REVIEW - STEP 1 (Diagnostic Summary)

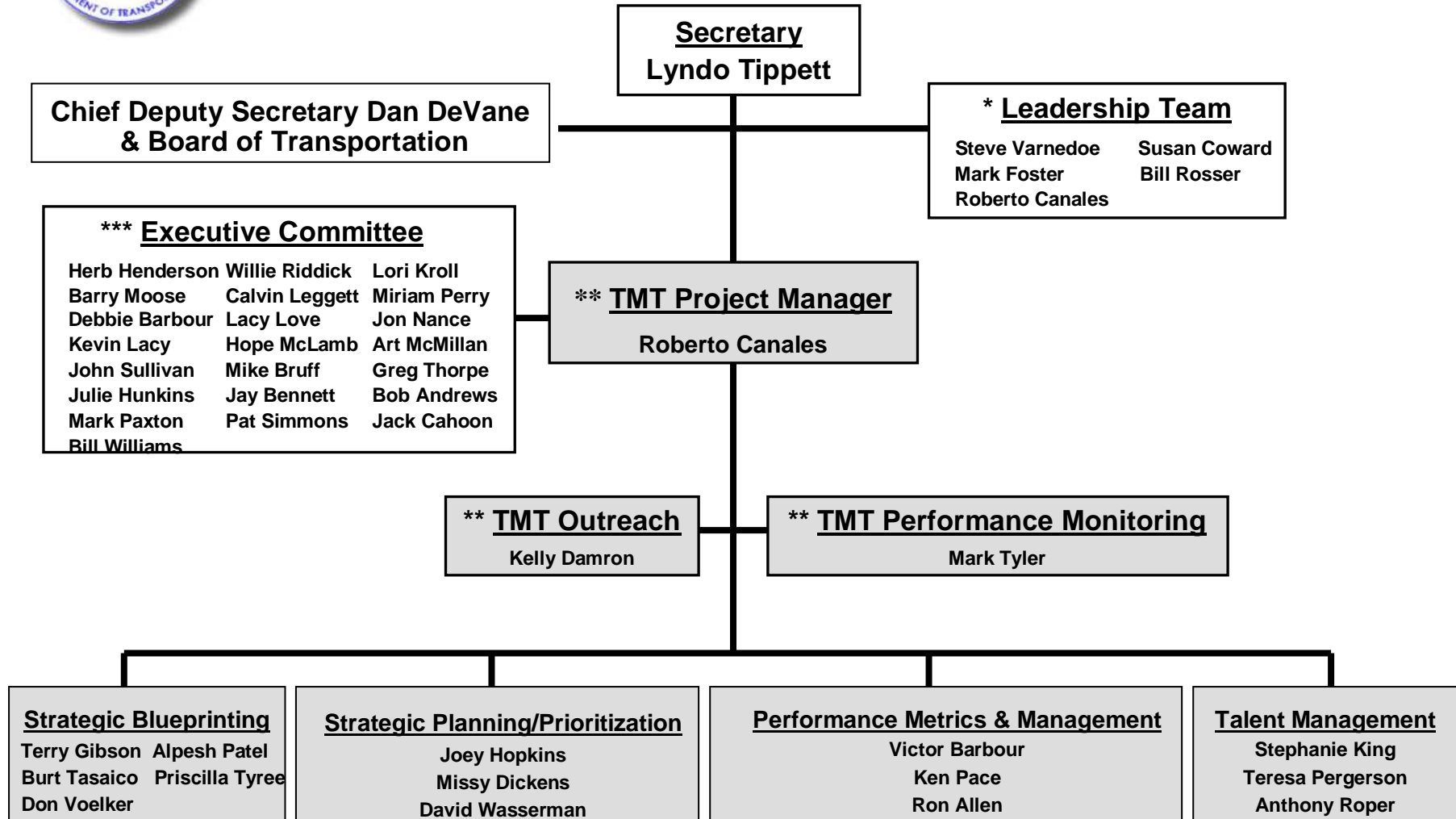
Current Environment	Diagnostic Summary - Significant opportunities for improvement
<ul style="list-style-type: none">1. Near-term budget stabilized2. External stakeholders supportive of change3. Key leaders committed to change4. Technical skills necessary to deliver5. Employees proud to serve, with a “can do attitude”	<ul style="list-style-type: none">1. Set clear direction by cascading an explicit vision and specific goals throughout the organization2. Development of a more targeted and strategic portfolio of projects focused on those most critical to achieving the strategic vision and goals3. Introduction of greater prioritization, accountability and coordination in core processes4. Alignment of structure, systems and mindsets to achieve vision

PROCESS REVIEW - STEP 1 (Diagnostic Summary - Five Core Change Initiatives)

Change initiatives	Objectives
Strategic Blueprint	<ul style="list-style-type: none">• Define common vision and goals for the NCDOT• Based on the vision and goals, determine the appropriate scope of activities for NCDOT• Create set of criteria for near-term prioritization of STIP projects• Identify potential opportunities for new sources of funds and changes to funding restrictions• Evaluate possible organizational changes to reach strategic goals, including defining key roles and responsibilities
Strategic Planning and Prioritization	<ul style="list-style-type: none">• Design and roll out strategic planning and prioritization process that:<ul style="list-style-type: none">– Allows NCDOT to create and annually refresh strategic plans based on its vision, goals, and evolving industry context– Gathers input from stakeholders in a systematic way, channeling political input to specific set of forums– Generates a transparent system for prioritizing projects
Performance Metrics and Management	<ul style="list-style-type: none">• Design and roll out dashboard of high-level metrics tied to NCDOT vision and goals<ul style="list-style-type: none">– Design process for reporting and managing to metrics– Design process for cascading of metrics throughout organization
Talent Management	<ul style="list-style-type: none">• Design a rigorous performance review process tied to performance metrics• Design a process for succession and mobility planning• Make high level recommendations on talent value proposition, development/training
Information Management	<ul style="list-style-type: none">• Share transformation information throughout NCDOT organization• Create proof-of-concept for lasting internal information sharing improvements



NCDOT Transformation Management Team



* Leadership Team: Meets Weekly to Support, Review, Offer Comments and Guidance (5)

** TMT Project Office: Manages Day to Day Activities of the TMT (17)

*** Executive Committee: Meets at Milestones to Review Ideas and Offer Feedback (22)

■ Denotes Full Time TMT

7/27/07

PROCESS REVIEW - STEP 2

STRATEGIC BLUEPRINT: KEY QUESTIONS AND DELIVERABLES (1 of 2)

	Deliverables	TMT date	Leadership Team date
1. Vision and Goals- What should NCDOT's new vision and goals be?	1. Completed vision and goal statements	Complete	Complete
2. Scope- Which activities should NCDOT be involved in? Which should they cut? Which should they outsource?	2a. Methodology for re-scoping (if-then equations)	Complete	Complete
	2b. List of activities outside of scope, with recommendations for corresponding changes to state law/policy	Aug 27	Sept 18
	2c. Methodology for keeping or outsourcing in-scope activities (if-then equations)	July 16	July 17
	2d. List of potential activities that NCDOT could consider outsourcing	Sept 13	Sept 18
3. Prioritization- How can NCDOT prioritize its current STIP and maintenance projects, before the strategic planning office gets up and running?	3a. Criteria, sub-criteria and weighting system for criteria for near-term STIP and maintenance project prioritization	Complete	July 31
	3b. List of top 30 projects across the state	Aug 13	Aug 21

PROCESS REVIEW - STEP 2

STRATEGIC BLUEPRINT: KEY QUESTIONS AND DELIVERABLES (2 of 2)

	Deliverables	TMT date	Leadership Team date
4. Funding- How can NCDOT make its current funding system less restrictive, so that it can meet the state's transportation needs? How can it increase total available funds?	4a. Perspective on changes that need to be made to funding restrictions, including the equity formula and other distribution formulas	Aug 16	Sept 18
	4b. Perspective on new funding opportunities, as well as their benefits and drawbacks	Aug 16	Sept 18
5. Organizational changes- What key organizational changes should NCDOT make to achieve its vision and goals?	5a. Set of specific recommendations for organizational re-alignment	TBD	Aug 7
	5b. Draft implementation plan for organizational changes	TBD	Oct 9

PROCESS REVIEW - STEP 2

STRATEGIC PLANNING: KEY QUESTIONS AND DELIVERABLES

	Deliverables	TMT date	Leadership Team date
1. Process- What is the scope of our strategic planning process? What is the timeframe for the process? How does it function and renew itself?	1a. Overview of the three tiers of strategic planning	Complete	Complete
	1b. Detailed calendar and process flow for three cycles of planning process at 1, 2, and 8 year intervals	Complete	Aug 21
	1c. "Business case" templates to be used during process	Aug 23	Aug 28
2. Inputs- How do we ensure that our strategic planning process effectively collects key data and incorporates key stakeholders?	2a. Stakeholder management plan with associated calendar for new planning process	Aug 6	Aug 14
	2b. Process for collecting external and internal inputs	Sept 10	Sept 11
3. Roles and responsibilities- How do we assign and define the roles and responsibilities of the strategic planning process? How do we find the right talent?	3a. Framework to clarify decision makers at each stage of the planning process	Aug 6	Aug 14
	3b. Sample organizational chart for strategic planning office	Aug 20	Aug 28
	3c. Job descriptions for office staff with recommendations for staffing new office	Aug 20	Aug 28
	3d. Training and skill building high-level approach for planning staff, leadership team, stakeholders and NCDOT personnel	Sept 6	N/A
	3e. Process rollout plan	Oct 8	Oct 16

PROCESS REVIEW - STEP 2

PERFORMANCE METRICS : KEY QUESTIONS AND DELIVERABLES

	Deliverable	TMT date	Leadership Team date
1. Metrics How will NCDOT gauge its performance over time?	1a. Value tree describing core value drivers for NCDOT, linked to vision and goals	Complete	Complete
	1b. High-level performance dashboard containing metrics based on goals	Complete	Complete
	1c. DOH central and division-level metrics	Complete	N/A
	1d. Draft list of division and branch-level metrics generated by cascading the high-level dashboard metrics through NCDOT	Aug 9	Sept 11
	1e. Full list of division, branch, unit metrics	Sept 20	Sept 25
2. Management system- What key organizational changes should NCDOT make to achieve its vision and goals?	2a. Performance targets for NCDOT high-level dashboard metrics	Sept 10	Sept 25
	2b. List/schedule for multi-level performance reviews with associated agendas	Sept 17	Sept 25
3. Rollout plan- How will the new performance management scheme be rolled out through the organization?	3a. List of key stakeholders needed to facilitate introduction of metrics-based management	Sept 24	Oct 9
	3b. Task/engagement checklist to enable performance metric planning	Sept 24	Oct 9
	3c. Plan to launch performance management pilot	Sept 24	Oct 9

PROCESS REVIEW - STEP 2

TALENT MANAGEMENT: KEY QUESTIONS AND DELIVERABLES

	Deliverable	TMT date	Leadership Team date
1. Strategy On what areas should NCDOT focus its talent management change initiative and why?	1a. Talent management gap analysis based on deep-dive TMT diagnostic and best practice review	Complete	Complete
	1b. High-level recommendations	Complete	Complete
2. Policies What policy changes should NCDOT make regarding talent management and why?	2. Talent management policy recommendation white papers	Aug 2	Aug 7
	2a. Recruiting, onboarding, and employee value proposition	Aug 2	Aug 7
	2b. Reviewing and recognizing	Aug 2	Aug 7
	2c. Developing	Aug 2	Aug 7
3. Processes What new talent processes are needed?	2d. Deploying and rotating	Aug 2	Aug 7
	3a. New leadership planning process	Sept 27	Oct 2
	3b. Revised performance review process	Sept 27	Oct 2
4. Rollout plan- How will the new performance management scheme be rolled out through the organization?	2a. List of key stakeholders needed to facilitate introduction of metrics-based management	Oct 4	Oct 9
	2b. Task/engagement checklist to enable performance metric planning	Oct 4	Oct 9
	2c. Plan to launch performance management pilot	Oct 4	Oct 9

PROCESS REVIEW - STEP 3

(Implementation of Recommendations / Plans)

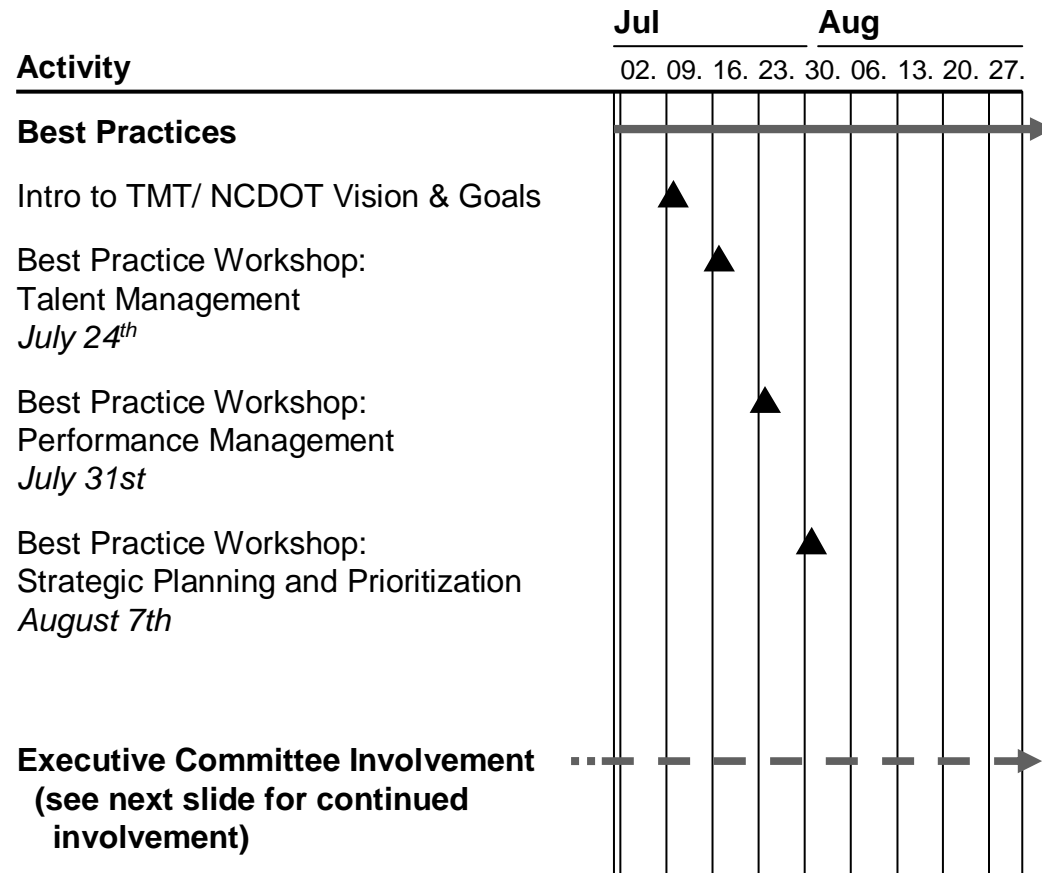
Change initiatives	Outcomes
Strategic Blueprint	<ul style="list-style-type: none">• Reinforce common vision and goals for the NCDOT• Implement changes related to approved NCDOT scope of activities• Initiate and manage near-term prioritized STIP projects• Assess and implement approved funding mechanisms• Implement organizational changes necessary to achieve strategic goals
Strategic Planning and Prioritization	<ul style="list-style-type: none">• Roll out strategic planning and prioritization process that:<ul style="list-style-type: none">– Allows NCDOT to create and annually refresh strategic plans based on its vision, goals, and evolving industry context– Gathers input from stakeholders in a systematic way, channeling political input to specific set of forums– Generates a transparent system for prioritizing projects
Performance Metrics and Management	<ul style="list-style-type: none">• Roll out dashboard of high-level metrics tied to NCDOT vision and goals<ul style="list-style-type: none">– Implement performance metrics throughout organization– Implement metrics reporting tools
Talent Management	<ul style="list-style-type: none">• Implement a rigorous performance review process tied to performance metrics• implement a process for succession and mobility planning• Implement recommendations on talent value proposition, development/training
Information Management	<ul style="list-style-type: none">• Share transformation information throughout NCDOT organization• Create proof-of-concept for lasting internal information sharing improvements

YOUR ROLE IN TRANSFORMATION– HOW THE EXECUTIVE COMMITTEE WILL WORK

Role of the Executive Committee

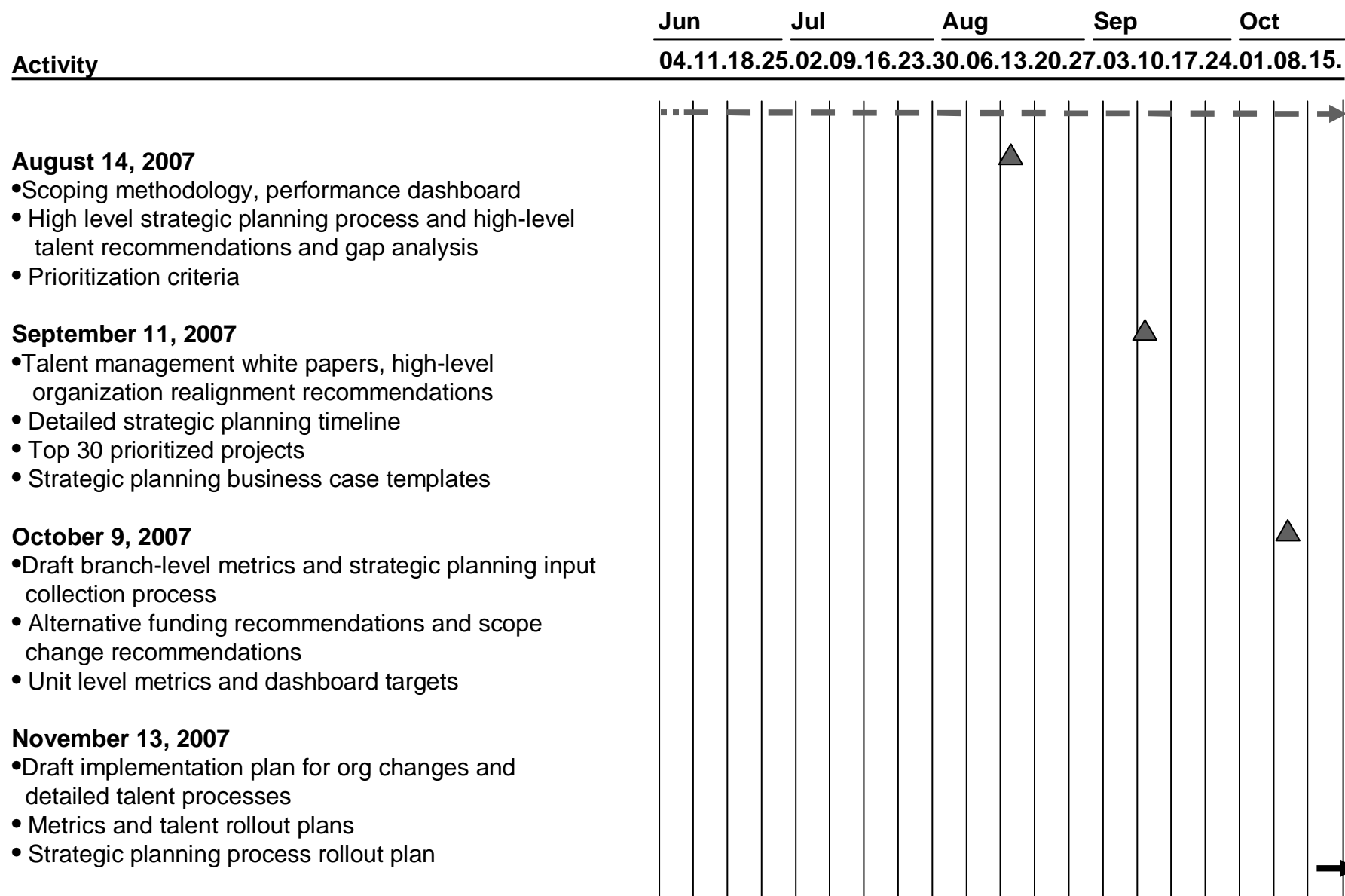
Executive Committee will:

- Meet regularly at key milestones to review progress and provide feedback
- Review and discuss best practice examples of transformation from the public and private sector
- Offer perspectives on the application of best practices to the NCDOT (see notes next slide)
- Serve as spokespeople for the transformation effort



EXECUTIVE COMMITTEE INVOLVEMENT CALENDAR

FOR DISCUSSION



WEEKLY UPDATE: WHAT WE NEED FROM THE EXECUTIVE COMMITTEE

- **Perspectives on:**

- Feedback captured during “Talent Management” workshop [7/24]
- Proposed Executive Committee Involvement Schedule
-

STRATEGIC BLUEPRINT- CONTEXT AND MISSION

Context

- **NCDOT has neither a single agreed-upon vision nor associated set of strategic goals**
 - Only 20% of employees observe often or always that “NCDOT’s vision is communicated deep into the organization”
 - Only 30% of employees agree/strongly agree that “the vision for NCDOT’s future is widely understood by its employees.”
- **Strategic direction is unclear and activities may not align with vision and goals**
 - Only ~30% of employees agree/strongly agree that “NCDOT’s strategy is aligned with its vision.”
- **NCDOT manages a broader scope of activities than most DOTs- 2nd in the country in % of roads and lane miles**
- **Organizational structure is not aligned with overall strategy, which affects operational efficiency and talent development**
 - Only 37% of employees observe always or often that “NCDOT’s organization structure creates an environment of clear accountability.”

Our Team’s Mission

- To design a new strategic blueprint for NCDOT that will:
 - Introduce an overarching vision and transparent goals toward which to direct its activities
 - Evaluate NCDOT scope of activities
 - Establish a new project prioritization scheme based on its strategic priorities
 - Develop a suite of alternative funding scenarios to support the new prioritization method
 - Realign its organization to more effectively meet its goals and project priorities

STRATEGIC PLANNING AND PRIORITIZATION- CONTEXT AND MISSION

Context

- **Strategic planning at NCDOT has historically been ad hoc, with no systematic annual process**
 - Only 32 percent of employees observe always or often that “management... develops detailed strategic plans.”
 - Only 30% of employees agree/strongly agree that “NCDOT’s strategy provides clear direction for its employees.”
 - Only 36% of employees believe “employees’ day-to-day behavior is guided by NCDOT’s strategy.”
 - Best practices suggest a systemic process that creates/refreshes plan to address changing environment
- **The result of lack of process is a lack of project prioritization**
 - STIP projects are currently not prioritized
 - Diagnostic found that lack of prioritization may be biggest contributor to project delivery delays
- **Ad hoc pressures from multiple stakeholders further confuse project prioritization**
 - One of the most critical issues identified in the diagnostic was the absence of a process to prioritize projects based on *systematic*, rather than ad hoc, stakeholder input and then buffer the organization for external pressures

Our Team’s Mission

- To introduce a strategic planning and prioritization process that:
 - Allows NCDOT to create and annually refresh strategic plans based on its vision, goals, and evolving industry context
 - Gathers input from stakeholders in a systematic way with
 - Annual formal stakeholder process
 - Formal channels for ad hoc input
 - Generates a transparent system for prioritizing projects
- To establish the structure, roles and responsibilities of a Strategic Planning Office at NCDOT

PERFORMANCE METRICS AND MANAGEMENT- CONTEXT AND MISSION

Context

- **There has been some implementation of performance management measures within business units, but those efforts are not explicitly linked to NCDOT nor other business unit priorities**
 - Only 36% of employees agree/strongly agree that “employees day-to-day behavior is guided by the NCDOT’s strategy.”
 - Only 44% of employees observe always/often that “operating measures are clearly defined in each area of the organization.”
- **NCDOT’s ad hoc nature of performance indicator generation sometimes led to conflicting needs between units**
 - Diagnostic found that different parts of organization have different levels of focus on metrics like cost, quality, and timing
 - Only 37% of employees observe always/often that “NCDOT holds challenging reviews to evaluate performance against the operational plan/key performance indicators.”

Our Team’s Mission

- To introduce a performance metrics and management function characterized by:
 - High-level set of metrics tied to NCDOT vision and goals
 - Organization-wide agreement on key performance indicators that suit both NCDOT and individual business unit needs
 - Management focused on leading toward meeting performance metrics
 - Linking of staff performance reviews to overall metrics

TALENT MANAGEMENT- CONTEXT AND MISSION

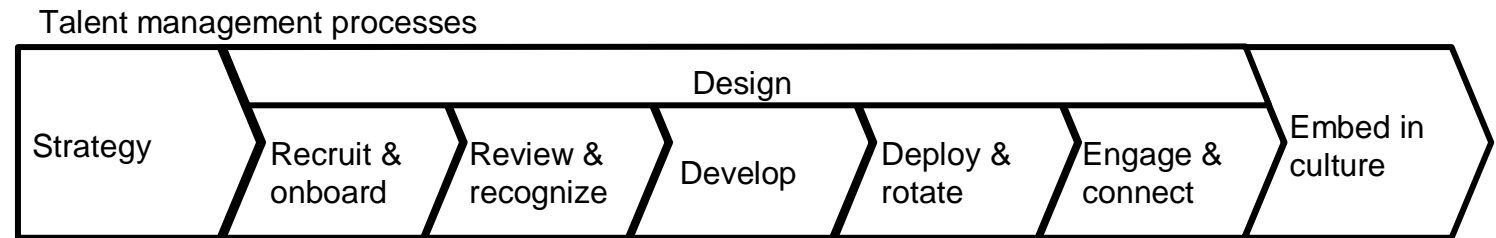
Context

- **Talent management function is failing to:**
 - *Recruit and retain critical talent:* Only 18% of employees observe always or often that “NCDOT continually refreshes its talent pool.”
 - *Drive employee performance:* Only 31% of employees agree/strongly agree that “employees are highly motivated.”
 - *Develop managers:* Only 35% of employees observe always or often that “NCDOT provides on-the-job assignments to develop the capabilities of senior employees.”
- **This is driven by**
 - *A nominal performance review process:* Only ~33% of employees believe that the NCDOT’s feedback/review processes “collect accurate information about people’s strengths, weaknesses and potential” or “clearly differentiate between the high, average, and low performers.”
 - *Limited succession and mobility planning:* Only 19% of employees observe always or often that “NCDOT uses job rotation to broaden the experience/capabilities of employees.”
 - *An inadequate employee value proposition:* Only 31% of employees agree/strongly agree that “people are generally enthusiastic about their jobs.”
 - *A view of Human Resources as an administrative function, not a strategic responsibility*

Our Team’s Mission

- To introduce a talent management function characterized by:
 - A rigorous performance review process tied to performance metrics effort
 - Improvements in development, succession planning, mobility and retention of talent, particularly high performers
 - A talent value proposition that makes NCDOT an attractive place to launch and build a career
 - Focus on HR as a strategy, not only a function

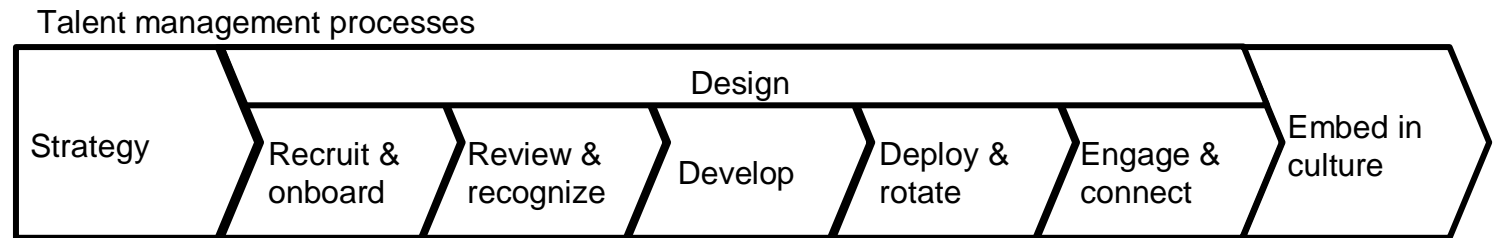
BEST PRACTICES WORKSHOP - TALENT MANAGEMENT 7/24



STRENGTHS

- Structured, consistent interviews
- TEA recruiting
- Public service part of EVP
- Have a formal process
- Potential to do well
- Verbal and written feedback
- Performance rewards exist (CPI)
- Training program (TEA)
- PE training
- Tech training for Eng.
- Orientation to workplace rules/norms (EEO/Diversity)
- Associate training (TEA) program
- Offer great opportunities to top performers
- Family atmosphere
- Involvement in prof assoc
- Conferences to share knowledge and best practices
- “Get to know” workshops (CPI)

BEST PRACTICES WORKSHOP - TALENT MANAGEMENT 7/24



IMPROVEMENT AREAS AND SUGGESTIONS

- | | | | | | |
|--|---|---|---|---|--|
| <ul style="list-style-type: none"> • Lack of entry IT positions • Process cumbersome • Hiring unit not involved in application evaluations • Experience not valued • Eliminate 10% • Market what DOT will offer in future • Evaluate for other (non-eng) skill sets | <ul style="list-style-type: none"> • Team recognition • Clear metrics • PM link to pay (Inconsistent policies) • PM not linked to promotions • Lack of PM calibration • Lack of training • Mechanics of process limited • No 2-way goal setting | <ul style="list-style-type: none"> • Skill/tech training across org • Career dev't plan for each employee • Mgt training (ppl and project mgt) • Make training part of job expect. tool kit • Orientation more frequent and training based | <ul style="list-style-type: none"> • Varies by role • Rotation difficult b/c short staffed • Set expectation that rotation encouraged • Make geographic moving economically feasible • Conduct retirement analysis • Career paths • Mentorship | <ul style="list-style-type: none"> • Reward systems for top performers • Greater involvement in prof assoc • Mgt dev't programs (mgt and tech career tracks) • Foster encouragement (compliment) • Cross-dept funct involvement (forums) | <ul style="list-style-type: none"> • PM around talent mgt (plan, do, check, act) • Training/edu on change mgt • IT support • Add recruitment and talent mgt to job description |
|--|---|---|---|---|--|

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Executive Committee Performance Metrics and Management Workshop



Discussion Document

July 31st, 2007

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TODAY'S WORKSHOP

Objectives

- **Introduce best practice performance metrics and management concepts**
- **Review diagnostic findings about current NCDOT performance metrics and management**
- **Gain Executive Committee input on potential performance metrics for highest levels of organization**

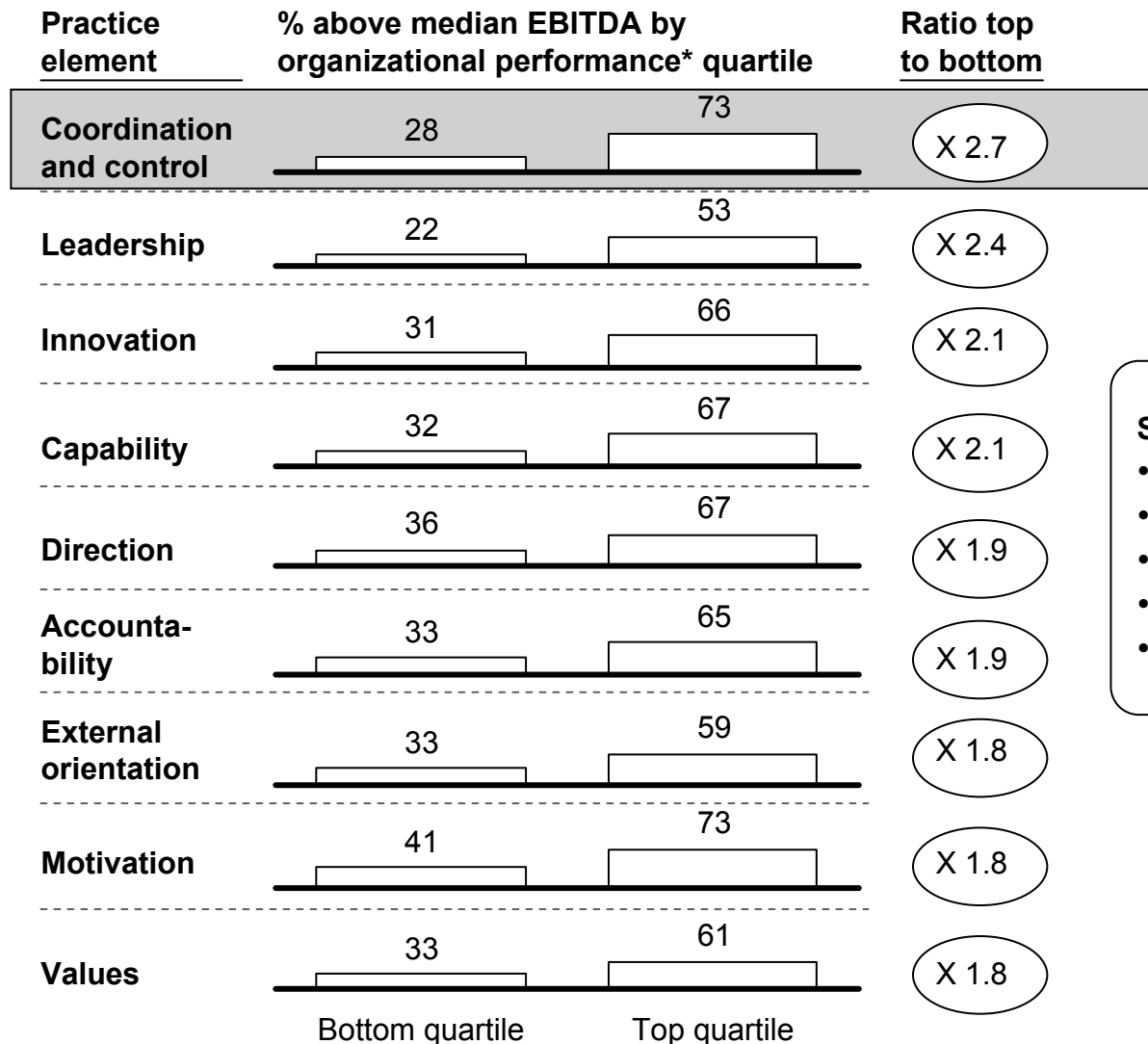
Schedule

- **Performance metrics and management best practices (10 minutes)**
- **Diagnostic results in performance metrics and management (5 minutes)**
- **Ongoing TMT work on performance metrics and management (15 minutes)**
- **Executive Committee discussion of performance metrics for NCDOT (60 minutes)**

WHAT IS PERFORMANCE METRICS AND MANAGEMENT AND WHY DOES IT MATTER?

- Performance management is the complete set of systems, processes and behaviors that set expectations, follow up on results and solve problems from the top of the organization to the frontline
- Key to performance management is setting the metrics to which the organization will manage. Metrics are a vehicle for changing the process by which an organization is managed.
 - They are intended to be the most important information required to manage a business and they help overcome the problem of ‘not being able to see the wood for the trees’
 - They facilitate stronger management processes which encourage continual improvements in decision making and action
- Effective and balanced performance metrics and management disciplines have a demonstrated impact on financial and operational performance
 - Effective performance management is strongly linked to higher financial and operational performance
 - Best practice performance management approaches are core to numerous leading organizations
- Top management’s role is to ensure performance management is done well. Once the basics are in place, organizations have to go beyond them to create effective performance management that safeguards, drives and transforms organizations
- Effective performance management goes beyond getting the process rights; it also involves changing mindsets and behaviors

OF ALL ORGANIZATIONAL PRACTICES, PERFORMANCE METRICS AND MANAGEMENT HAS THE STRONGEST LINEAR LINK TO OUTCOMES



Coordination and control defined as 'business performance and risk are measured and reported'

Similar results for

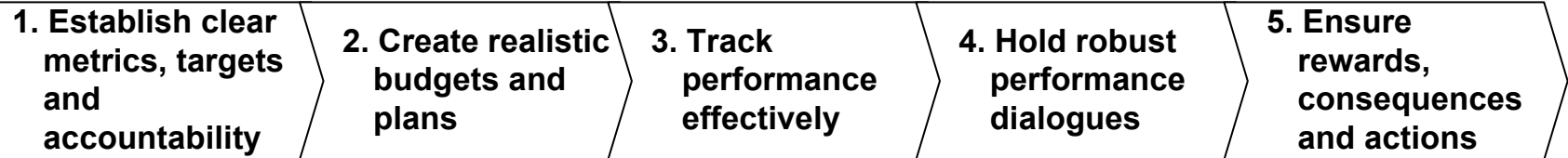
- Growth in enterprise value
- Growth in enterprise value/book value
- Growth in enterprise value/sales
- Growth in book value/sales
- Growth in net income/sales

* Organizational performance defined as organizations' adherence to 9 organizational practices

Source: McKinsey proprietary survey

GREAT FIRMS HAVE STRONG PERFORMANCE METRICS AND MANAGEMENT

Performance management process



- | | | | | |
|--|--|---|--|---|
| <ul style="list-style-type: none"> • Challenging targets set top-down based on strategy • Mostly financial | <ul style="list-style-type: none"> • Plans developed bottom-up • Iterative process | <ul style="list-style-type: none"> • Only financial metrics reported to top • BUs receive detailed operational data | <ul style="list-style-type: none"> • Forced ranking based on performance/values | <ul style="list-style-type: none"> • Clear consequences for under-delivery • Reward for strong delivery |
|--|--|---|--|---|

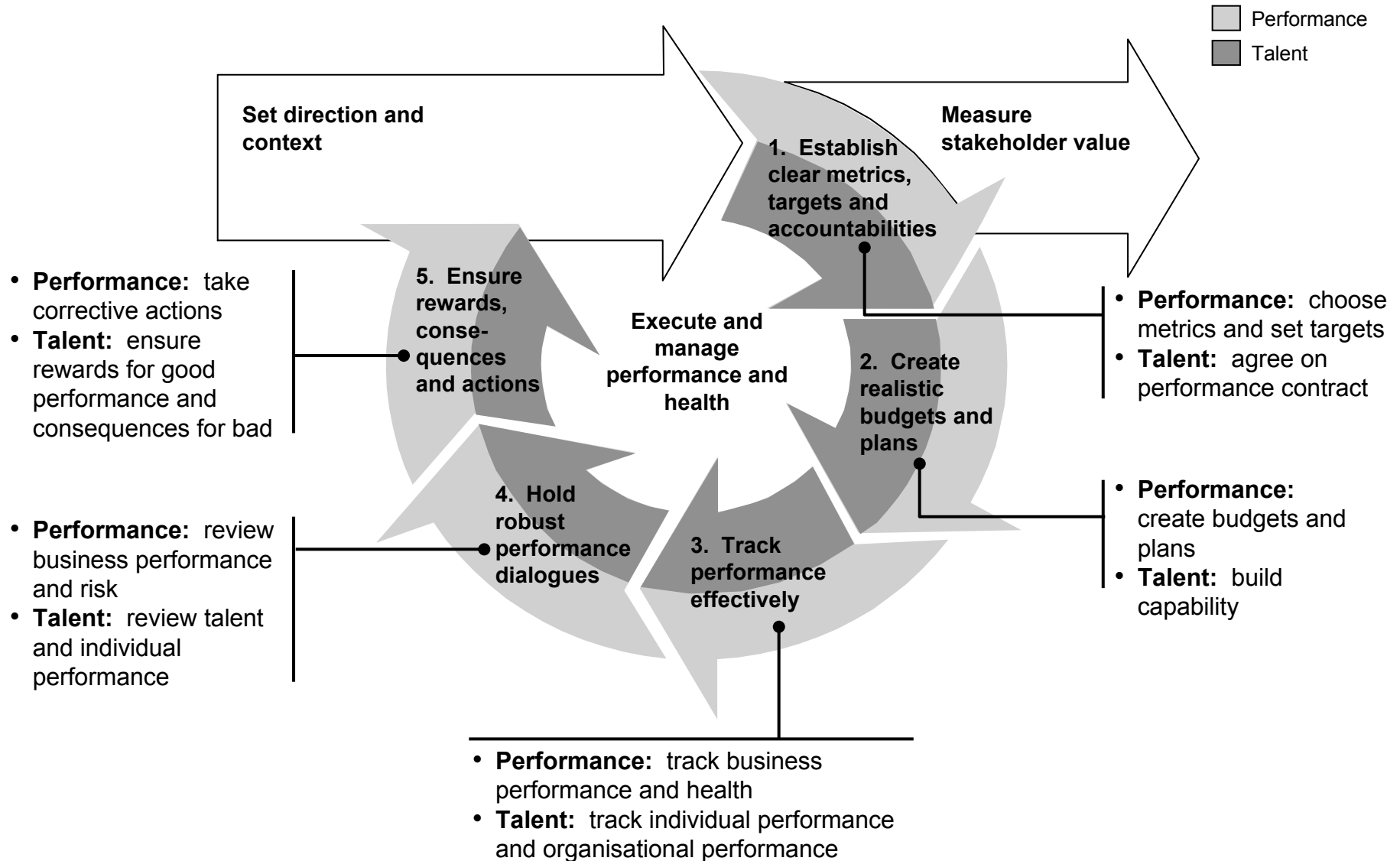


- | | | | | |
|--|--|---|--|--|
| <ul style="list-style-type: none"> • Challenging targets set top-down • Based on continuous improvement and 'business needs' | <ul style="list-style-type: none"> • Plans developed bottom-up • Iterative process | <ul style="list-style-type: none"> • Strong focus on operational metrics (cascading down org) • Data freely available | <ul style="list-style-type: none"> • Issues already identified and analyzed before hand • Coaching not telling • Limited intervention | <ul style="list-style-type: none"> • Clear link of performance to rewards |
|--|--|---|--|--|



- | | | | | |
|--|--|---|--|--|
| <ul style="list-style-type: none"> • Targets set top-down • Based on continuous improvement • Largely operational | <ul style="list-style-type: none"> • Led by centre with involvement from Functions • 1-year/5-year plan combined | <ul style="list-style-type: none"> • Strong focus on operational metrics • Standardized MI systems • Bureaucracy | <ul style="list-style-type: none"> • Hard-edged dialogues focused on actuals (largely operational) • Individual rating/ranking | <ul style="list-style-type: none"> • Only top 5,500 eligible for bonus • Performance determines next year pay and jobs |
|--|--|---|--|--|

THERE ARE FIVE ELEMENTS OF A PERFORMANCE METRICS AND MANAGEMENT SYSTEM

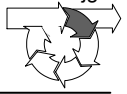


1. THREE STEPS TO ESTABLISHING CLEAR METRICS, TARGETS, AND ACCOUNTABILITIES FOR ORGANIZATION

1 Develop a value tree to identify key drivers

2 Define high level metrics (dashboard) based on value drivers that meet three selection criteria– actionability, impact, measurability


3 Use high level metrics to define clear individual metrics, targets and accountabilities

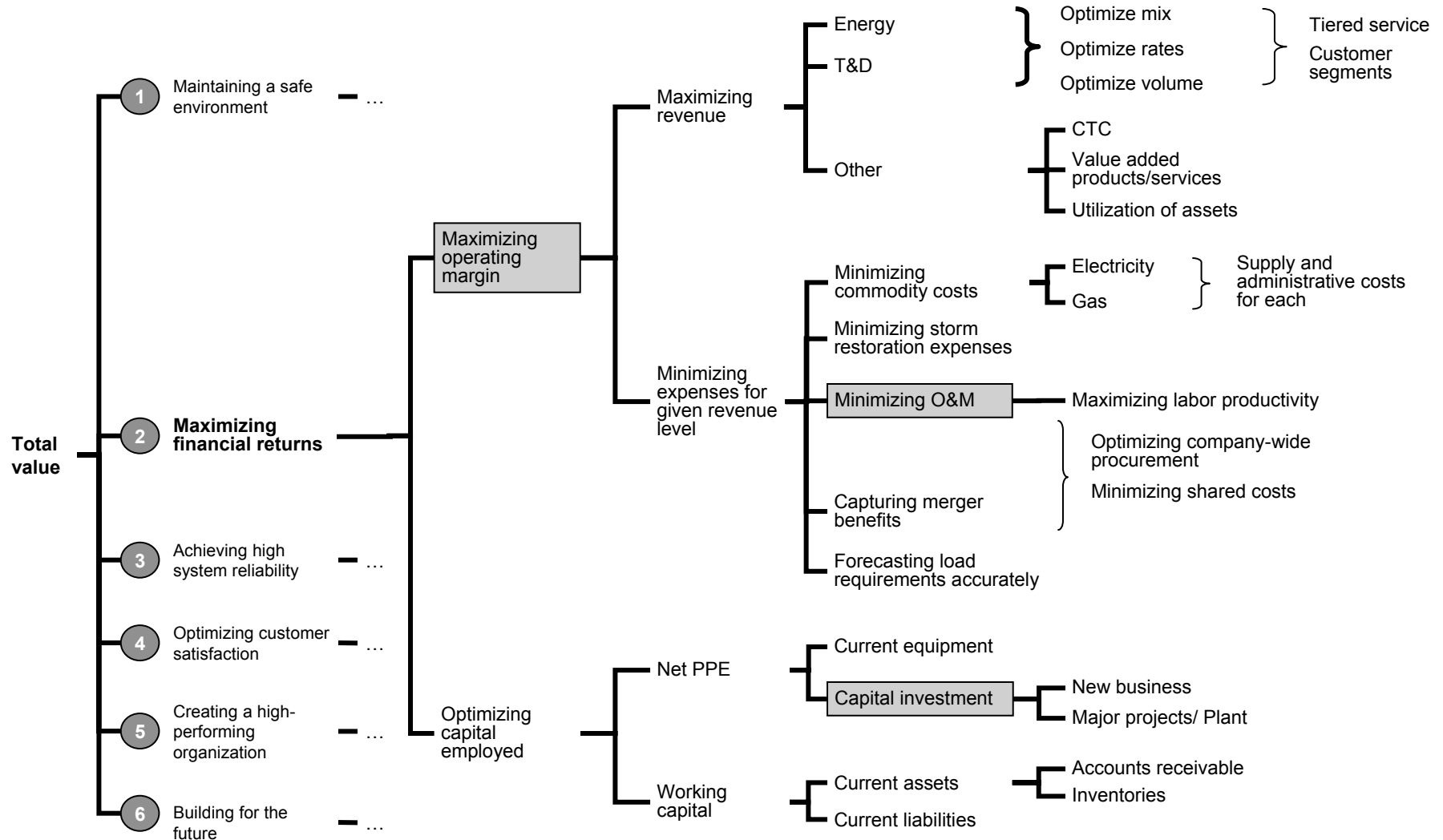


1A. DEVELOP A VALUE TREE TO IDENTIFY KEY DRIVERS

UTILITY COMPANY EXAMPLE

NOT EXHAUSTIVE


 Key value driver





1B. DEFINE HIGH LEVEL METRICS BASED ON VALUE DRIVERS THAT MEET THREE SELECTION CRITERIA

UTILITY COMPANY EXAMPLE

 Key value driver/KPI

Value driver	Potential KPI	Selection criteria		
		Actionability	Level of impact	Measureability
Current operating performance				
• Market opportunity cost	• \$ margin lost when in the money, but below requested generation	• High	• High	• High
• On-time delivery	• Success rate in meeting requested capacity	• High	• Low	• High
• Equivalent forced outages	• Partial or complete forced outage factor	• High	• Med	• Med
• Fuel cost (for each fuel)	• Fully loaded \$/MM BTU fuel cost in excess of market index	• High	• High	• High
• Heat rate	• BTU/NKWh	• High	• High	• High
• O&M	• \$	• High	• High	• High
• Capital additions	• \$	• High	• Med	• Med
• Inventories	• \$ carrying level	• High	• Low	• High
• Fixed capital	• \$ reduction in underutilized assets	• Med	• Low	• Med
• Environmental	• Number of notices of violation	• High	• Med	• High
• Safety	• Lost work day case rate	• High	• Med	• High
Business strengthening				
• Capital plan	• Success in meeting targets	• High	• High	• Med
• Develop strategic asset management plan	• Rigorous evaluation of quality of plan	• High	• Low	• Low
New growth opportunities				
• Support for acquisition process	• Rigorous "report card" assessing performance	• Med	• Med	• Med



1C. USE HIGH-LEVEL METRICS TO ESTABLISH CLEAR INDIVIDUAL METRICS, TARGETS, AND ACCOUNTABILITIES

ILLUSTRATIVE

1. Derive individual targets from business targets

2. Develop metrics and targets for overall business talent and capability

3. Support business targets with personal and team development objectives

4. Develop personal performance contracts that incorporate personal business targets

**Eastern Region
Marketing Performance Contract**

<u>YOUR COMMITMENT</u>	Bonus weighting Percent
Financial performance	
• Operating expenditure, <US \$17 million	20
• Capital expenditure, <US \$2 million	10
• EBIT >US \$5 million	25
Business objectives	
• Launch product pilots by 1Q'04	15
• Build product marketing infrastructure 2Q'04	15
Organization	
• Recruit 5 market analysts 1Q 04	5
• Train 50% of team on Siebel	5
• Establish team satisfaction survey	5
Personal	
• Demonstrate the firm's 6 key leadership skills	5
• Attend senior management training course	5
<u>OUR COMMITMENT</u>	
• Provide you with US\$17 million of operating expenditure	
• Provide you with US\$2 million of capital expenditure	
• Access to appropriate Firm resources	

Andrew of... VP, Marketing, U.S.

John White Marketing Manager, Eastern Region

EXAMPLE: MISSOURI TRANSLATES GOALS INTO SPECIFIC AND MEASURABLE EXPECTATIONS FOR LEADERS OF UNITS

Tangible Results



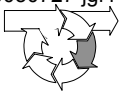
EXAMPLE

- Uninterrupted Traffic Flow
- Smooth and Unrestricted Roads and Bridges
- Safe Transportation System
- Roadway Visibility
- Personal, Fast, Courteous and Understandable Response to Customer Requests (Inbound)
- Partner With Others to Deliver Transportation Services
- Leverage Transportation to Advance Economic Development
- Innovative Transportation Solutions
- Fast Projects That Are of Great Value
- Environmentally Responsible
- Efficient Movement of Goods
- Easily Accessible Modal Choices
- Customer Involvement in Transportation Decision-Making
- Convenient, Clean and Safe Roadside Accommodations
- B&E
- A&I
- A&I
- A&I

TRACKER Table of Contents

Uninterrupted Traffic Flow – Don Hillis (Page 1)		
Average speeds on selected roadway sections	Troy Pinkerton	1a
Average rate of travel on selected signalized routes	Julie Stotlemeyer	1b
Average time to clear traffic incident	Rick Bennett	1c
Average time to clear traffic backup from incident	Rick Bennett	1d
Number of customers assisted by the Motorist Assist program	Rick Bennett	1e
Percent of Motorist Assist customers who are satisfied with the service	Rick Bennett	1f
Percent of work zones meeting expectations for traffic flow	Scott Stotlemeyer	1g
Time to meet winter storm event performance objectives on major and minor highways	Tim Jackson	1h
Smooth and Unrestricted Roads and Bridges – Kevin Keith (Page 2)		
Percent of major highways that are in good condition	Jay Bledsoe	2a
Percent of minor highways that are in good condition	Jay Bledsoe	2b
Percent of deficient bridges on major highways	Jay Bledsoe	2c
Percent of deficient bridges on minor highways	Jay Bledsoe	2d
Number of deficient bridges on the state system (major & minor highways)	Jay Bledsoe	2e
Safe Transportation System – Don Hillis (Page 3)		
Number of fatalities and disabling injuries	Leanna Depue	3a
Number of impaired driver-related fatalities and disabling injuries	Leanna Depue	3b
Rate of annual fatalities and disabling injuries	Leanna Depue	3c
Percent of safety belt/passenger vehicle restraint use	Leanna Depue	3d
Number of bicycle and pedestrian fatalities and disabling injuries	Leanna Depue	3e
Number of motorcycle fatalities and disabling injuries	Leanna Depue	3f

- MoDOT provides specific metrics and individual responsibility for each goal
- Progress towards each goal is provided in published monthly “Tracker” reports



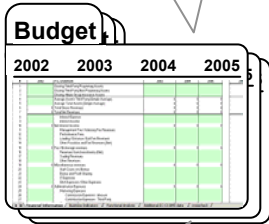
2. CREATE REALISTIC BUDGETS AND PLANS

Follow-on from
TMT Performance
Metrics
workstream

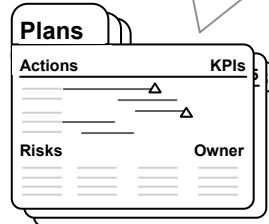
Interdependencies
between TMT
Talent Mgmt. and
Perf. Metrics
teams

Business: create budgets and plans

1. Develop standardized budgeting and planning mechanisms



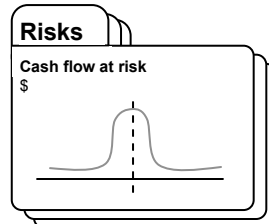
2. Determine action plans for the delivery of chosen targets



4. Translate into budget and allocate resources

Management plan

3. Review risks and create plan to address



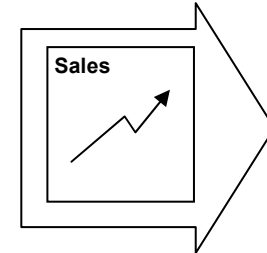
Targets

	Base	Stretch
EBIT	\$	\$
Cash		
Sales		

5. Combine budget, actions, and risks in a management plan

People: build capability

1. Identify people capabilities required to meet targets and plans



Capabilities

Skills: Cold-calling

People: Telesales operators x 5

2. Generate plan to bridge capability gap

- Internal sourcing
- External sourcing
- Training
- Personal development

3. Align individual capability building to performance contracts and plan

Performance Contract

Financial
Opex < \$17m
Capex < \$2m
EBIT > \$5m

4. Build individual capabilities

- Training
- Coaching
- Mentoring
- Feedback
- Job rotation



3. TRACK PERFORMANCE EFFECTIVELY

Performance: track business performance and health

1. Develop and use efficient data collection processes

Automatic collection



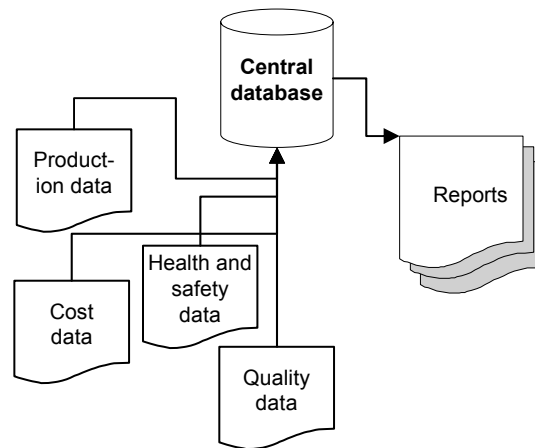
Semi-automatic collection



Manual collection

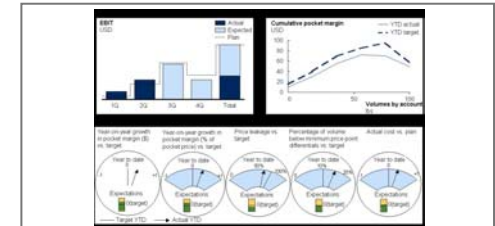
AREA	DATE	SHIFT	SUPERVISOR			
	11/14 PMF 202	11:00	3-0501-1100			
NO.	PERIOD	TARGET	CUMUL.	ACTUAL	CUMUL.	REMARK
1	10:00 - 10:30	7.6	7.6	6.0	6.0	2.600

2. Develop a performance and health data storage and management solution

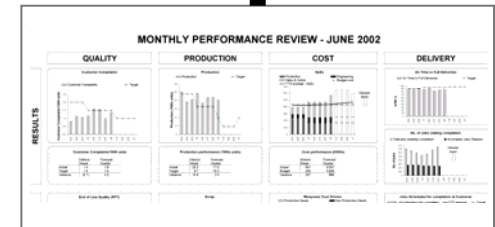


3. Report performance and health using a hierarchy of reports and scorecards

BU



Line



Shift



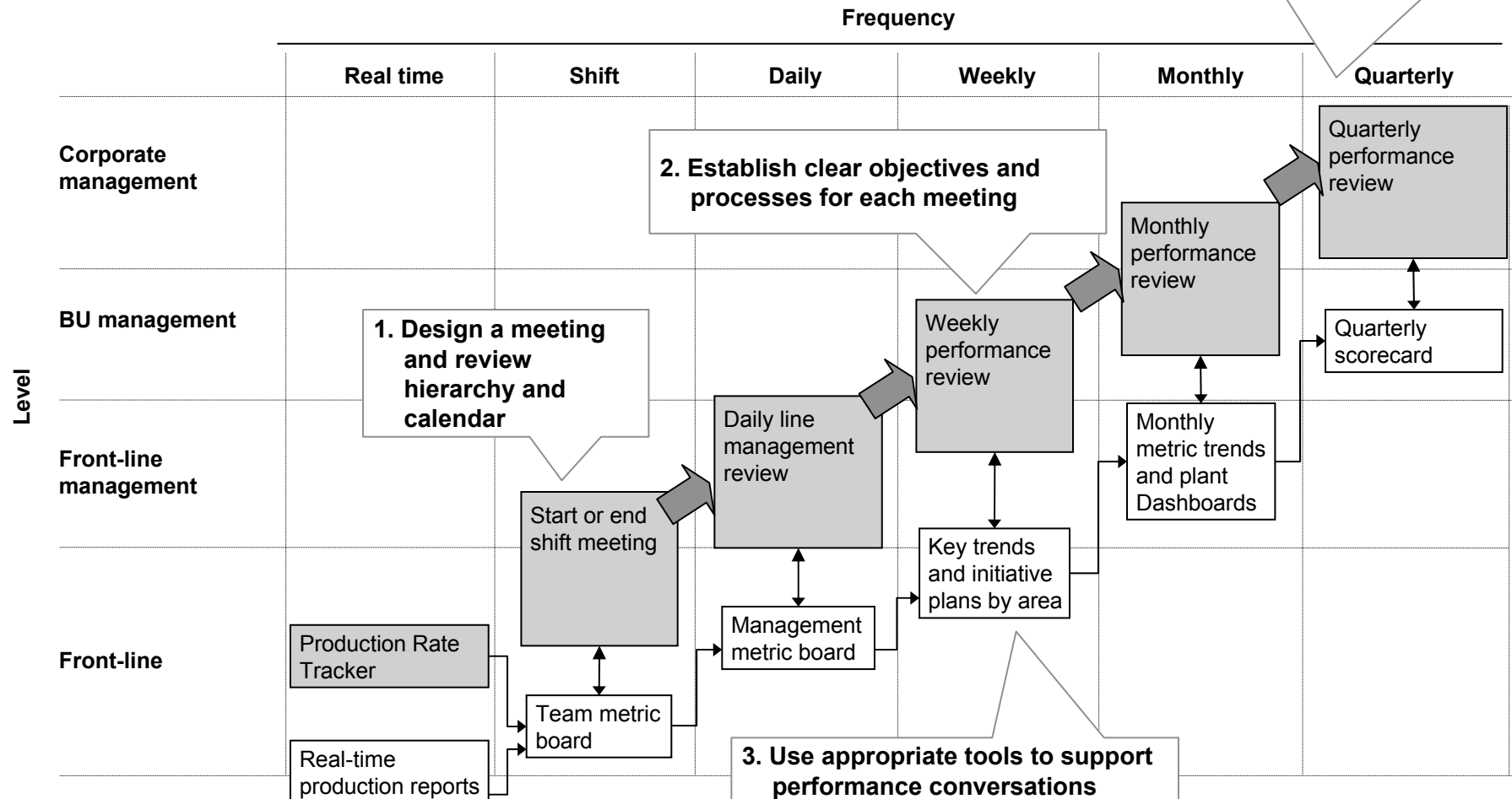


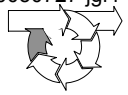
4. HOLD ROBUST PERFORMANCE DIALOGUES

Performance: review business performance and risk

4. Ensure the participants prepare thoroughly and display a constructive, problem solving attitude
5. Focus conversation on problem solving around key performance aspects, not 'spin'

Business review and report hierarchy



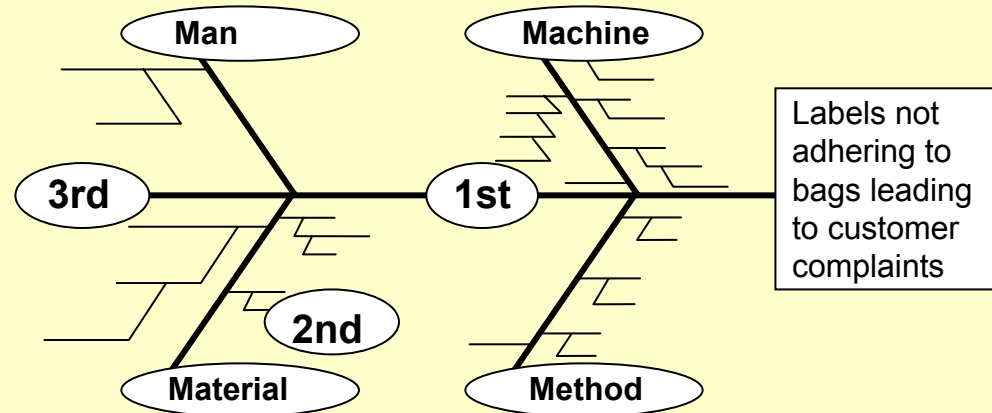


5. ENSURE REWARDS, CONSEQUENCES, AND ACTION

1. Understand root causes of current and future performance gaps

2. Prioritize areas for improvement

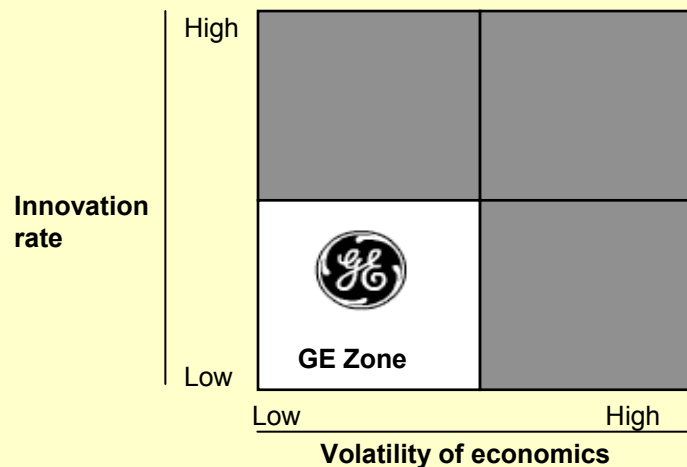
"Fishbone" diagram – manufacturing example



3. Generate solutions to address gaps and root causes

4. Develop plans to close gaps or reset targets

GE approach



- GE has divested a large number of businesses that lie outside its target zone and acquired many that lie inside
- GE asks each business "Can you become No. 1 or No. 2 in your business?" If yes, how are you going to do it? If not, how are you going to fix, close, or sell it?

TODAY'S WORKSHOP

Objectives

- **Introduce best practice performance metrics and management concepts**
- **Review diagnostic findings about current NCDOT performance metrics and management**
- **Gain Executive Committee input on potential performance metrics for highest levels of organization**

Schedule

- **Performance metrics and management best practices (10 minutes)**
- **Diagnostic results in performance metrics and management (5 minutes)**
- **Ongoing TMT work on performance metrics and management (15 minutes)**
- **Executive Committee discussion of performance metrics for NCDOT (60 minutes)**



PERFORMANCE METRICS ARE INSUFFICIENTLY INTEGRATED INTO NCDOT BUSINESS MANAGEMENT

- **There has been some implementation of performance management measures within business units, but those efforts are not explicitly linked to NCDOT nor other business unit priorities**
 - Only 36% of employees agree/strongly agree that “employees day-to-day behavior is guided by the NCDOT’s strategy.”
 - Only 44% of employees observe always/often that “operating measures are clearly defined in each area of the organization.”
- **NCDOT’s ad hoc nature of performance indicator generation sometimes led to conflicting needs between units**
 - Diagnostic found that different parts of organization have different levels of focus on metrics like cost, quality, and timing
 - Only 37% of employees observe always/often that “NCDOT holds challenging reviews to evaluate performance against the operational plan/key performance indicators.”

- **Increased accountability ranked among the top future characteristics that members of this group and other key leaders wanted to see at NCDOT**
 - *“People here have high professional standards and are accountable to their roles but rarely more.”*
 - *“No one sat me down and told me what I had to do, but I figured it out as I went.”*
 - *“I understand that with more autonomy comes more accountability, but I want that.”*

NCDOT HAS INTRODUCED OPERATIONAL METRICS IN SOME POCKETS OF THE ORGANIZATION

EXAMPLES

	Initiative	Outcome
 DOH	<ul style="list-style-type: none"> • Maintenance Management System 	<ul style="list-style-type: none"> • More efficient use of resources through planning and scheduling
	<ul style="list-style-type: none"> • Squad-level maintenance performance incentives 	<ul style="list-style-type: none"> • Increased production from workforce, as compared to prior years' performance
	<ul style="list-style-type: none"> • STaRS information system 	<ul style="list-style-type: none"> • Preconstruction increasingly tracking statistics that can be used to develop metrics and targets
 DMV	<ul style="list-style-type: none"> • Customer wait-time monitoring 	<ul style="list-style-type: none"> • Quantitative statistics used to track and resolve bottlenecks in DMV customer experience
	<ul style="list-style-type: none"> • Operational improvement initiatives (e.g., reorganization of purchasing agents) 	<ul style="list-style-type: none"> • Significant financial and efficiency gains in core processes (scale economies in purchasing)
	<ul style="list-style-type: none"> • Tracking of performance indicators (e.g., number of school bus drivers trained) 	<ul style="list-style-type: none"> • Observations of DMV functions provide business intelligence on economic trends (recognition of a retention problem with NC school bus drivers)

TODAY'S WORKSHOP

Objectives

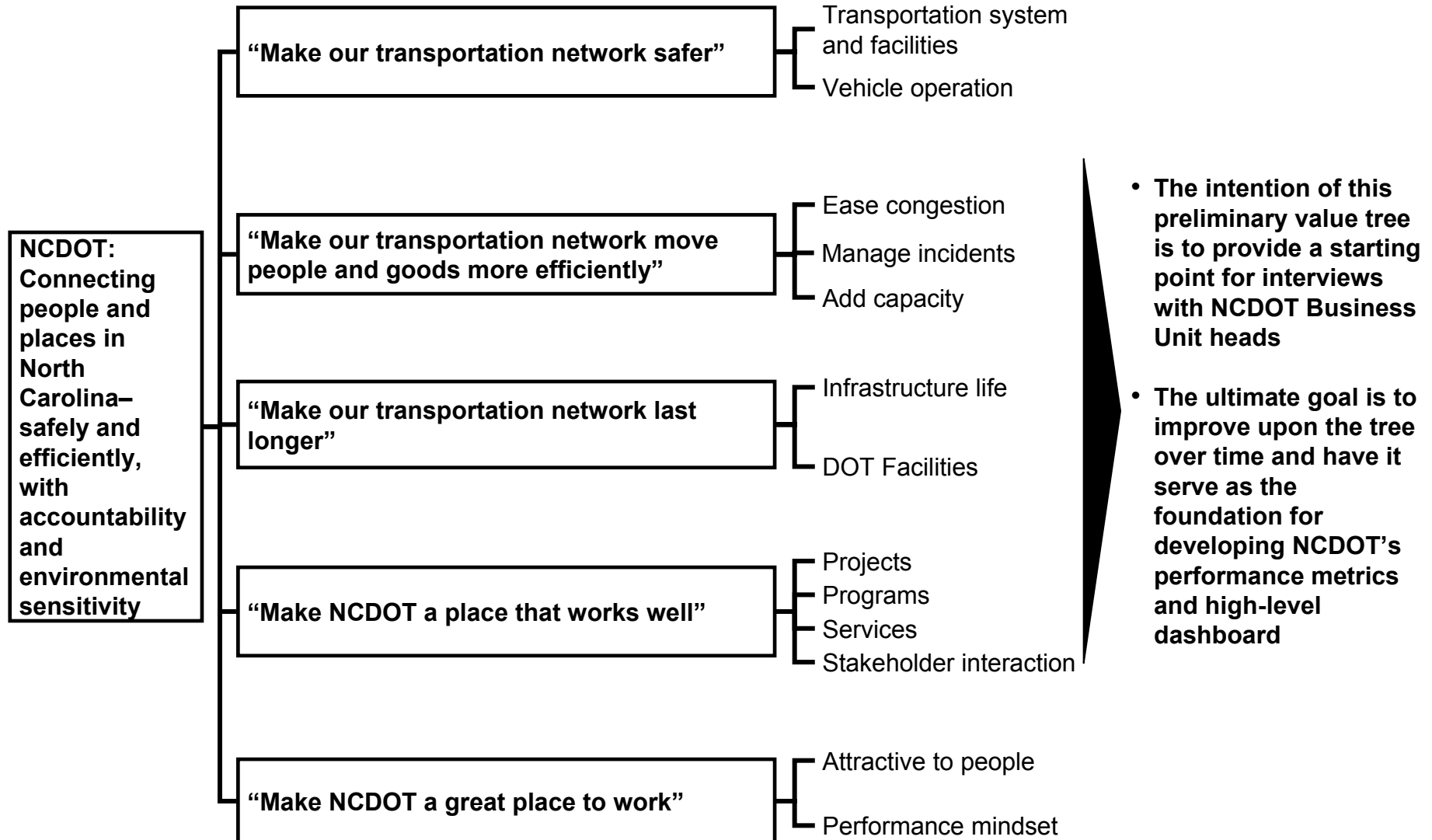
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BEFORE PERFORMANCE METRICS CAN BE DEVELOPED, THE MAJOR DRIVERS OF VALUE FOR NCDOT MUST BE DETERMINED...

PRELIMINARY



NCDOT'S EXECUTIVE DASHBOARD PROVIDES A MEANS FOR GAUGING OVERALL ORGANIZATIONAL PERFORMANCE

PRELIMINARY

DRAFT

	Metrics	Comments
"Make the transportation network safer"	<ul style="list-style-type: none"> Fatal accident (incident) rates on NCDOT transportation network 	<ul style="list-style-type: none"> "Hard" numerical data for measuring performance of systems -i.e. various transit modes, safety operating procedures for employees Most state DOTs track traffic fatalities Fatalities per 100 million vehicle miles traveled - National goal is 1.0, We are currently at ~1.58. What does this mean in actual numbers ?
"Make our transportation network move people and goods more efficiently"	<ul style="list-style-type: none"> Travel time Congestion (level of service) 	<ul style="list-style-type: none"> Indicator of system performance - actual vs. ideal travel time on transportation system Use average speed (operating) on representative sample sites for different tiers Ratings exists for reporting. Can compare NC vs. National congestion and then set goals On representative sample sites, determine when the peak congestion time is and how long it lasts
"Make our transportation network last longer"	<ul style="list-style-type: none"> Existing system conditions <ul style="list-style-type: none"> Road Bridge Other Book value of transportation network 	<ul style="list-style-type: none"> Infrastructure currently being measured by DOH Operations Provides a view of how maintenance activities affect the overall value of the network over time
"Make our organization a place that works well"	<ul style="list-style-type: none"> Delivery on schedule Delivery on budget <i>Deliverable's standard of quality (?)</i> <i>Productivity (?)</i> <i>Environmental compliance (?)</i> 	<ul style="list-style-type: none"> Measurements in place Measurements in place Important to provide quality How to maximize outcomes per dollar spent Measurements in place
"Make our organization a great place to work"	<ul style="list-style-type: none"> Employee engagement index Employee safety incidents 	<ul style="list-style-type: none"> Employee engagement can be gauged based on survey results. Easily tracked and shows trends Currently being measured Department-wide and shows we care about the employees

TODAY'S WORKSHOP

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TALENT MANAGEMENT DISCUSSION

- ① (15 minutes) Using the template, write down possible division, branch, and unit metrics for your group. Include both “real” and “ideal” metrics. This is a discussion starter only
- ② (30 minutes) Form groups with others from your part of the organization (e.g., Transit, Functional groups- IT, HR, Finance, DOH Ops, DOH Maintenance, DOH Preconstruction, DMV).

Discuss the metrics you wrote down and

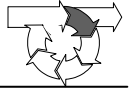
- Develop a proposed set(s) of metrics for your group(s)
- Identify the key challenges or issues that made it challenging to select this set of metrics

- ③ (15 minutes) Present back to the group and debrief

NCDOT DIVISION/BRANCH/UNIT LEVEL DASHBOARD

DIVISION/BRANCH/UNIT: _____

	Metrics	Rationale
“Make the transportation network safer”	<ul style="list-style-type: none"> _____ _____ 	<ul style="list-style-type: none"> _____ _____
“Make our transportation network move people and goods more efficiently”	<ul style="list-style-type: none"> _____ _____ 	<ul style="list-style-type: none"> _____ _____
“Make our transportation network last longer”	<ul style="list-style-type: none"> _____ _____ 	<ul style="list-style-type: none"> _____ _____
“Make our organization a place that works well”	<ul style="list-style-type: none"> _____ _____ 	<div style="background-color: red; color: black; padding: 10px; text-align: center;"> <p>Add real/ideal</p> <p>Add actionability, level of impact, measurability</p> </div>
“Make our organization a great place to work”	<ul style="list-style-type: none"> _____ _____ 	



UTILITY
COMPANY
EXAMPLE

SCORECARDS CAN BE USED TO TRACK PERFORMANCE AGAINST THE METRICS

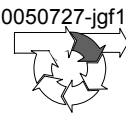
1. Derive overall metrics from key drivers of stakeholder value

2. Balance performance metrics to measure beyond financial performance

Performance Metrics	Current period					Year-to-date				
	Actual	Contract	Stretch	Variance	Status	Actual	Contract	Stretch	Variance	Status
Employee										
• Yield rate for experienced hires										
• Employee commitment index										
Financial										
• Gross operating margin										
• Total O&M										
• GenCo EBIT										
Operational										
• Integration of trade floor										
• Distribution company supply reliability										
Customers										
• Number of new wholesale customers										
• Total sales volume										

3. Establish targets for each metric – offer base/contract and stretch

4. Establish metrics and targets for overall company and each BU, and then cascade the metrics and targets to lower levels
5. Establish scorecards for each BU and group/business/performance unit



SPECIFIC TARGETS SHOULD BE ESTABLISHED FOR EACH METRIC

EXAMPLE

Metric	Weighting %	Target/Standard				
		Unsatisfactory (1)	Needs improvement (2)	Meets expectations (3)	Exceeds expectations (4)	Exceptional (5)

Meeting expectations is consistent with BU plan

Profitable growth

• Revenue	40	<\$900m	\$900m	\$1,053m	\$1,200m	<\$1,400m
• Market share	15	<14%	14%	15.0%	16%	>17%
• Expenses	10	<\$135m	\$135m	\$150 m	\$165m	>\$180m

Customer service

• Customer satisfaction	15	8.4	8.7	9.0	9.3	>9.5
• Customer perception score	5	<6.5	6.5	7.0		

People/Performance culture

• Employee survey	2.5	71st percentile	75th percentile	79th percentile	82nd percentile	85th percentile
• Retention metric	2.5	8%	12%	16%	20%	24%
• Recruitment ratio	5	<0.9	0.9	1.50	1.90	<2.3

Efficiency

• Project X	15	Less than 80% of milestones met on time	Over 80% of milestones met on time in full. All milestones >50% complete	Project milestones & outcomes met on time and in full	Project milestones delivered in full ahead of time. Outcomes exceed	Project delivered well ahead of time. Significantly exceeds forecast outcomes within original budget
-------------	----	---	--	---	---	--

Clear descriptions of standards expected for qualitative metrics

Targets set for each of the 5 performance standards



THERE ARE MULTIPLE SOURCES OF INPUTS TO SETTING TARGETS

ILLUSTRATIVE

Level of difficulty achieving

There are some differences across departments in terms of how difficult it is to achieve LWDC

Employee input

"I think a fair target for my LWDC is 1.2."

Supervisor input

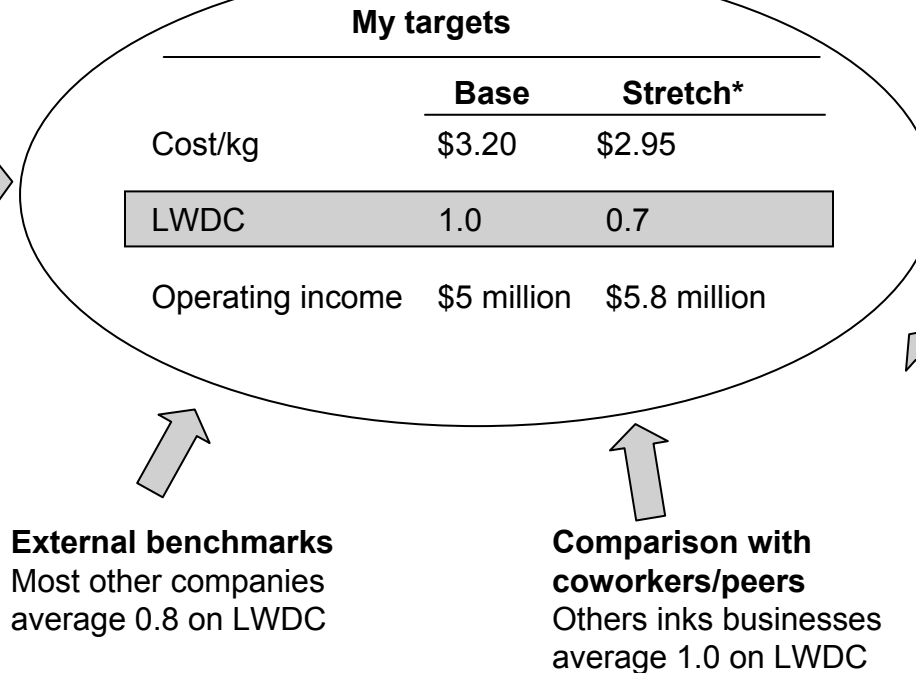
"We should aim to have LWDC at 0.9."

Target calibration

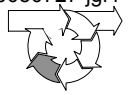
Supervisor 1 "Average LWDC for my department was 1.0 over past 5 years."

Supervisor 2 "My average LWDC was 1.1."

Supervisor 3 ...
.
.
.

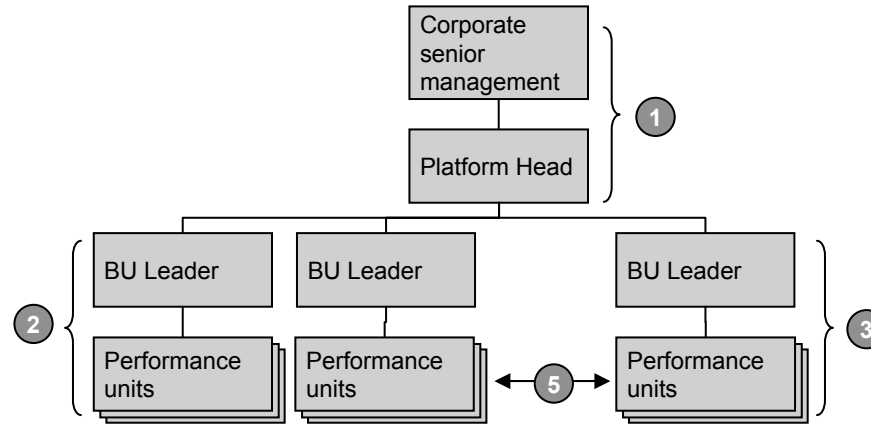


In all cases the employee and manager must work together to set the preliminary targets for the milestones and goals. Targets are then finalized by the supervisor using input from the target calibration process



EXAMPLE

BUSINESS REVIEW PROCESS OVERVIEW



Review	Participants	Frequency	Subject matter
1 Corporate Quarterly Management Meeting	Corporate senior management	Quarterly	<ul style="list-style-type: none"> Platform metrics, BU performance indicators*
2 BU #1	Platform head, top 4 BU Leaders, 5 - 10 key performance unit leaders	Monthly	<ul style="list-style-type: none"> BU #1 performance indicators and supporting indicators Deep dive on 1-2 performance unit performance indicators and supporting indicators BU #1 P&L review
3 BU #2	Platform head, BU head, business directors	Monthly	<ul style="list-style-type: none"> BU #2 performance indicators and supporting indicators Deep dive on 1-2 performance unit performance indicators and supporting indicators BU #2 P&L review
4 Lower level	Business Directors, VPs, managers and others, as appropriate	Daily, weekly, monthly, as needed	<ul style="list-style-type: none"> Business-director-level, performance unit or sub-unit (e.g., a region) performance indicators and supporting indicators
5 BU Cross-performance unit	Leaders of similar performance units at BU #1 and BU #2 (e.g., call center unit leaders from each)	Once or twice per year	<ul style="list-style-type: none"> Performance indicators and supporting indicators for similar functional units

* Corporate senior management also would discuss metrics for other platforms

Working Draft

Last Modified 7/30/2007 5:37:33 PM Eastern Standard Time

Printed 7/16/2007 7:54:35 PM Eastern Standard Time

CONFIDENTIAL

Talent Management Gap Analysis and High-Level Recommendations



Executive Committee
August 7, 2007

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GAP ANALYSIS OBJECTIVES AND TASKS

Objectives

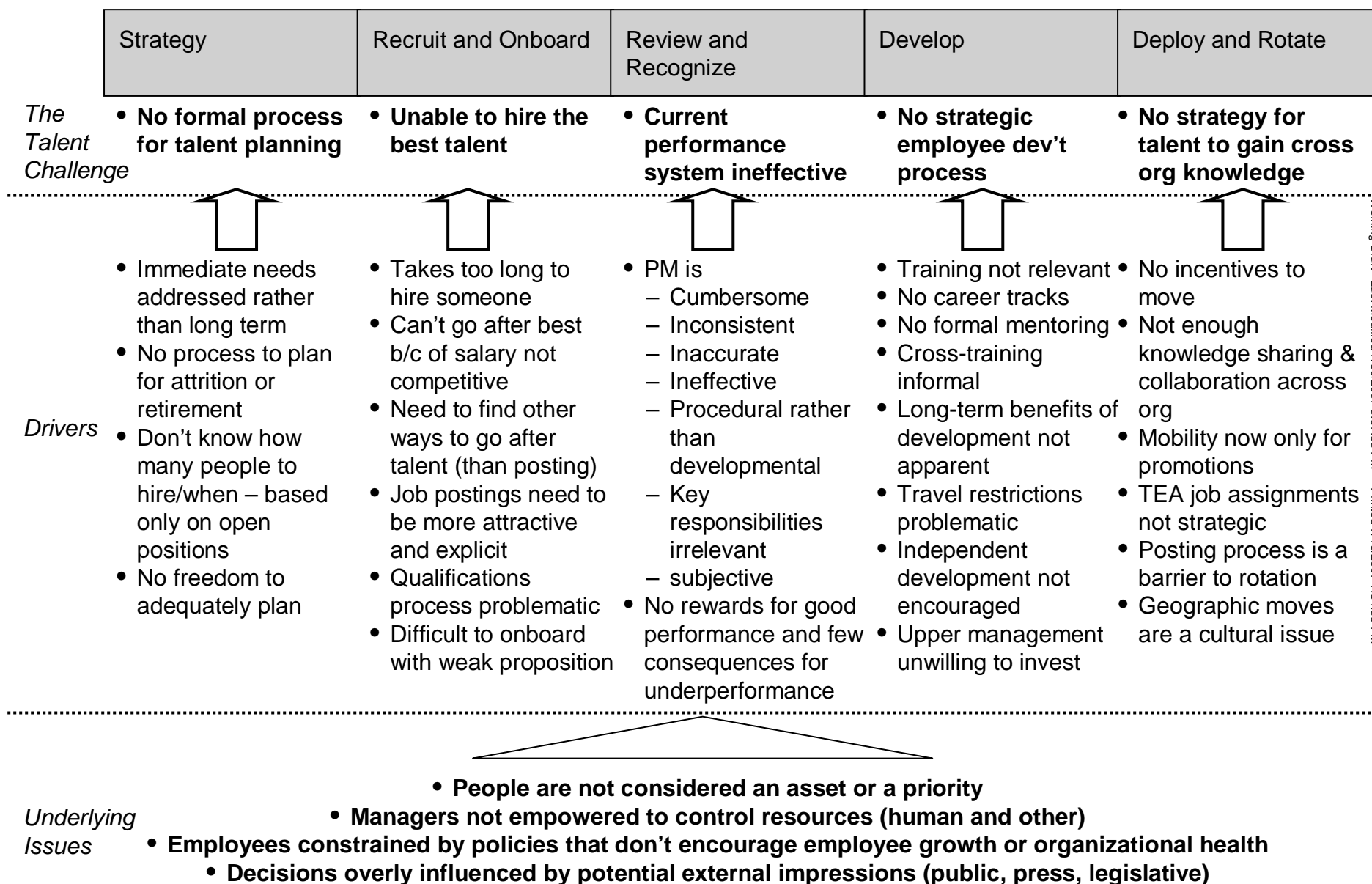
- Determine how well NCDOT practices align with public and private best practices
- Gain cross-section of employee opinions on key talent challenges and possible solutions
- Communicate to organization that talent issues are a priority and employee opinions are driving TMT conclusions

Tasks

- 16 Interviews
 - 8 one on one interviews covering five key talent areas
 - 8 subject matter expert interviews focusing on specific talent challenges
- 6 Focus groups:
 - Pre-construction
 - Ferry Division
 - New hires
 - Various Raleigh employees (DMV, Right of Way, IT, etc.)
 - Representatives from hwy division 4
 - Representatives from highway divisions 7, 9, 10, 14
- Review of McKinsey diagnostic data
- Best practice reading and workshops
- Review of current general statutes and DOT/OSP policies and procedures

RESULTS: KEY CHALLENGES IN TALENT MANAGEMENT

PRELIMINARY



Working Draft - Last Modified 7/30/2007 5:37:33 PM Printed 7/16/2007 7:54:35 PM

TALENT RECOMMENDATIONS: HIGHEST PRIORITY ITEMS

- ① Define talent strategy**
- ② Revise hiring practices**
- ③ Define and improve employee value proposition**
- ④ Revamp performance review**
- ⑤ Revamp training program to strategically deploy resources**
- ⑥ Develop employee career tracks**
- ⑦ Develop system for leadership planning**
- ⑧ Institute priority quick wins**

TMT

Executive Committee Update



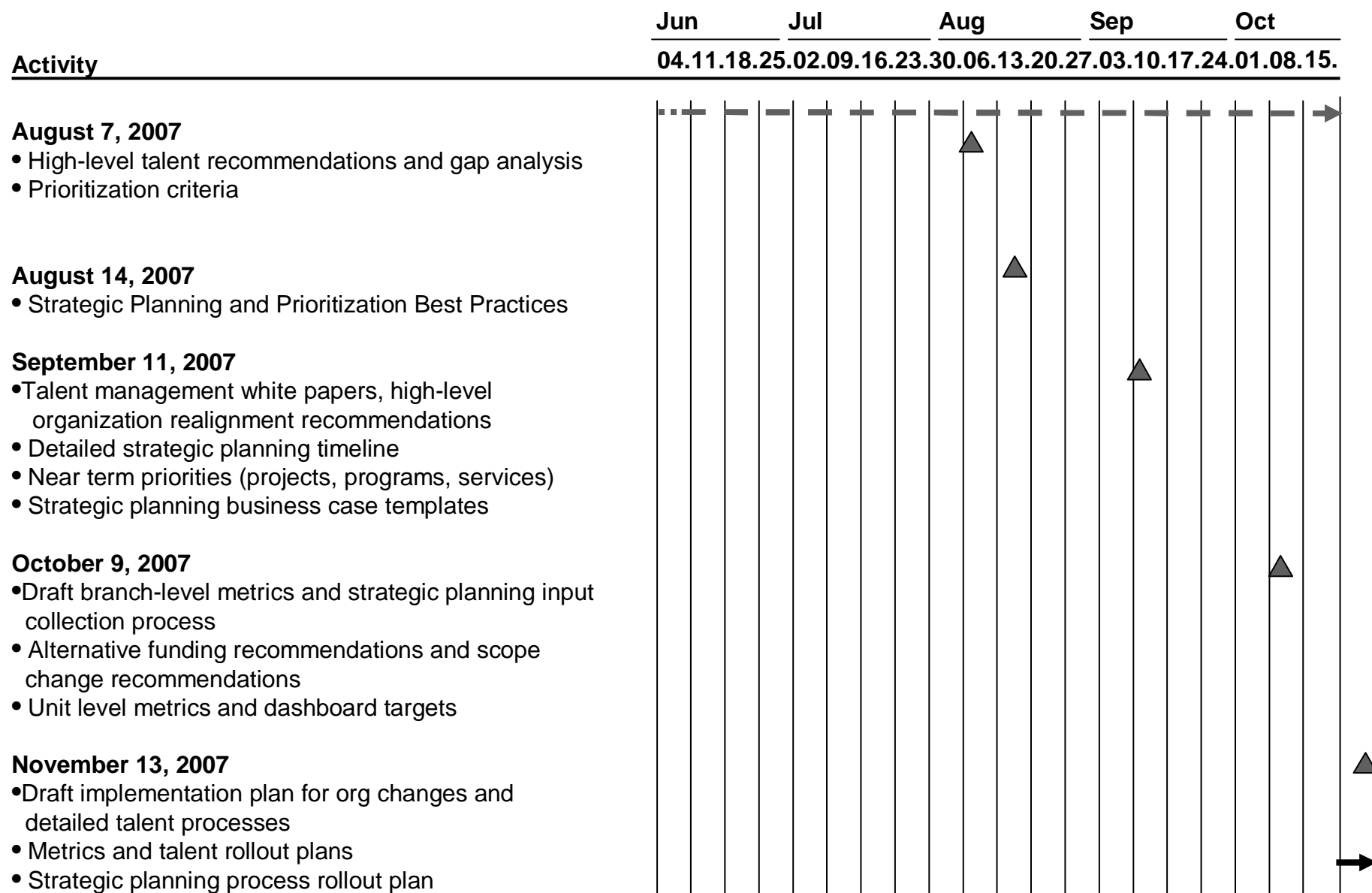
August 7, 2007

WEEKLY UPDATE : Agenda

- **Deliverable Review -**
 - High-level talent recommendations and gap analysis
 - Prioritization criteria
- **Recommended Executive Committee Involvement Schedule**
- **What We Need From the Executive Committee**

EXECUTIVE COMMITTEE INVOLVEMENT CALENDAR

FOR DISCUSSION



What we need from the Executive Committee

- **Feedback to the various teams when requests are made**

TMT

Executive Committee Update



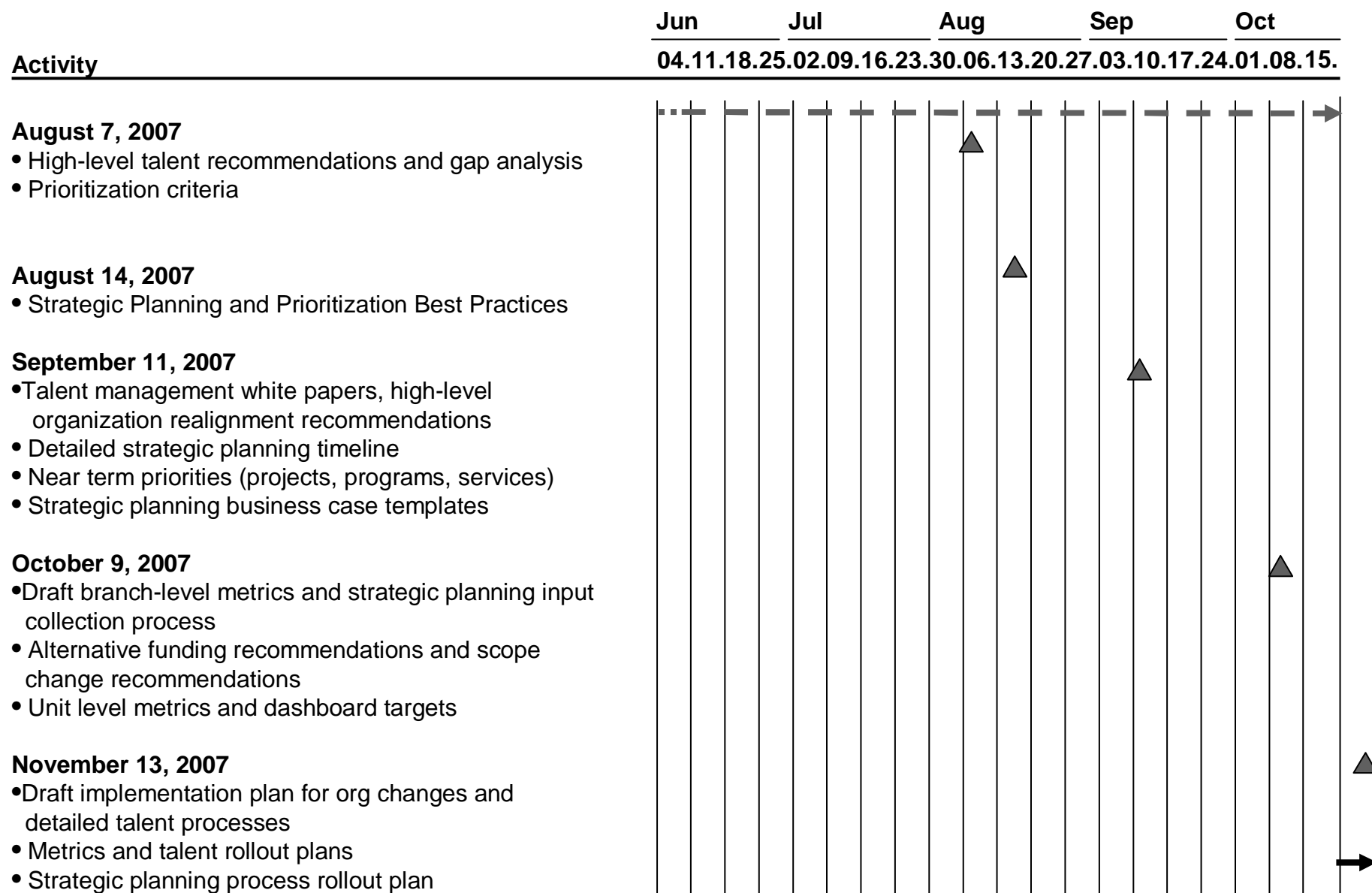
August 14, 2007

WEEKLY UPDATE : Agenda

- **Deliverable Review -**
 - TMT Update - Roberto Canales
 - Leadership Planning discussion (15 min) - Talent Management Team
- **Strategic Planning Best Practices**
- **Executive Committee Involvement Calendar Time Change**
 - 3 - 5 PM for remaining dates noted on calendar

EXECUTIVE COMMITTEE INVOLVEMENT CALENDAR

FOR DISCUSSION



**North Carolina Department of Transportation
Transformation Management Team
Executive Committee Update Meeting Agenda**

THURSDAY, AUGUST 30, 2007

1:30 OPENING COMMENTS

ROBERTO CANALES

➤ QUESTIONNAIRE

1:40 PERSPECTIVE ON FUNDING OPPORTUNITIES

STRATEGIC BLUEPRINT TEAM

2:30 ANNUAL ACTION PLAN

STRATEGIC PLANNING TEAM

➤ PROCESS

➤ TEMPLATE

3:15 PHASE II RESOURCE NEEDS

TMT SUB-TEAM LEADS

3:20 FEEDBACK / OPEN DISCUSSION

ALL

➤ 2008 SCHEDULE PREFERENCES

3:30 ADJOURN

**North Carolina Department of Transportation
Transformation Management Team
Executive Committee Update Meeting Agenda**

TUESDAY, SEPTEMBER 11, 2007

2:30	OPENING COMMENTS	ROBERTO CANALES
2:40	TALENT MANAGEMENT UPDATE	TALENT MANAGEMENT TEAM
3:00	STRATEGIC BLUEPRINT UPDATE	STRATEGIC BLUEPRINT TEAM
3:20	STRATEGIC PLANNING UPDATE	STRATEGIC PLANNING TEAM
	➤ DETAILED STRATEGIC PLANNING TIMELINE	
	➤ BUSINESS CASE TEMPLATES	
	➤ STRATEGIC PLANNING OFFICE	
3:50	FEEDBACK / OPEN DISCUSSION	ALL
4:00	ADJOURN	

**North Carolina Department of Transportation
Transformation Management Team
Executive Committee Update Meeting Agenda**

TUESDAY, OCTOBER 9, 2007

2:30 OPENING COMMENTS

ROBERTO CANALES

2:35 TRANSFORMATION LEADERSHIP

MCKINSEY GROUP

3:45 COMMUNICATION PLAN UPDATE

COMMUNICATION TEAM

4:00 ADJOURN

**North Carolina Department of Transportation
Transformation Management Team
Executive Committee Update Meeting Agenda**

TUESDAY, NOVEMBER 1, 2007

1:00	OPENING COMMENTS	ROBERTO CANALES
1:05	TALENT MANAGEMENT INITIATIVES	ROBERTO CANALES
1:45	NEW PERFORMANCE MANAGEMENT PLAN	TALENT MANAGEMENT TEAM
2:20	ANNUAL ACTION PLANS	STRATEGIC PLANNING TEAM
2:55	FEEDBACK / OPEN DISCUSSION	ALL
3:00	ADJOURN	

**North Carolina Department of Transportation
Transformation Management Team
Executive Committee Update Meeting Agenda**

THURSDAY, JANUARY 24, 2008

8:30 OPENING COMMENTS

ROBERTO CANALES

- EC MEETINGS 2008
- EC Expansion – Top 42

8:45 TMT COMMUNICATIONS / PRESENTATIONS

TMT COMMUNICATIONS

8:50 STRATEGIC PRIORITIZATION

STRATEGIC PLANNING TEAM

9:30 BOTTOMS UP ASSESSMENT STATUS

STRATEGIC BLUEPRINT TEAM

- PROCESS
- EXPECTATIONS

10:00 POLICY OFFICE WORKSTREAM

STRATEGIC PLANNING TEAM

10:15 EXECUTIVE DASHBOARD UPDATE

PERFORMANCE METRICS TEAM

10:30 ADJOURN

**TMT Executive Committee Meeting
February 18, 2008**

1:00 – 3:00p.m., EIC Room

Call in Phone Number – (919) 733-2416

AGENDA

<u>Time</u>	<u>Agenda Item</u>	<u>Presenter</u>
1:00 – 1:10	Opening Comments	Roberto Canales
1:10 – 1:50	Talent Management	Stephanie King
1:50 – 1:55	Strategic Planning Office	Don Voelker
1:55 – 2:00	Orientation	Robin Hicks
2:00 – 2:05	Recruitment	Tamela Gilbert
2:05 – 2:10	Secretary's Q&A Update	Aurea Hernandez
2:10 – 2:50	TMT 101	Kelly Damron
2:50 – 3:00	Other TMT Items from January Closing Comments	Roberto Canales

TMT Executive Committee Meeting
April 03, 2008
10:00a.m. – 12:00p.m., EIC Room

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>
Dashboard Update	Victor Barbour
Career Tracks & Leadership Planning	Anthony Roper
TMT Workstreams	Don Voelker
Q&A with Secretary Tippetts Update	Kelly Damron
Open Discussion Closing Comments	Roberto Canales

**TMT Executive Committee Meeting
May 01, 2008
10:00a.m. – 12:00p.m.
Transportation Building Auditorium**

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>
Business Unit Efficiencies	Priscilla Tyree
PDA Policy	Teresa Pergerson
Hiring Practices	Allen Pope
Open Discussion/Closing Comments	Roberto Canales

****Updated Workstream Status Report Available On TMT Portal Page****

TMT Executive Committee Meeting
June 05, 2008
10:00a.m. – 12:00p.m.
Transportation Building - EIC

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>
Department Budgeting Assessment	Terry Gibson
“Like Metrics” Focus Group	Victor Barbour
Executive Dashboard & Web Page Re-Design	Victor Barbour
Transformation Overview /Q&A Sessions	Kelly Damron
Open Discussion/Closing Comments	Roberto Canales

****Updated Workstream Status Report Available On TMT Portal Page****

**TMT Executive Committee Meeting
July 10, 2008
10:00a.m. – 12:00p.m.
Transportation Building - EIC**

AGENDA

<u>Agenda Item</u>	<u>Presenter</u>
Performance Management Policy & Performance Pay Dispute Resolution Procedures (30 mins)	Teresa Pergerson & Terry Hopkins
Internal Efficiencies (1 hr)	Priscilla Tyree
Training (15 mins)	Joey Hopkins
Open Discussion/Closing Comments	Roberto Canales

****Updated Workstream Status Report Available On TMT Portal Page****

TMT Executive Committee Meeting
August 7, 2008
10:00a.m. – 12:00p.m.
Transportation Building - EIC

AGENDA

Agenda Item

Presenter

Strategic Planning

Don Voelker
David Wasserman
Joey Hopkins

Employee Engagement & Customer
Service Surveys

Jeff Roerden

Leadership Development Needs
Survey

Joey Hopkins

Open Discussion/Closing Comments

Roberto Canales

****Updated Workstream Status Report Available On TMT Portal Page****